Group Report 2008
UNIQA Versicherungen AG

UNIQA Versicherungen AG

Respect

Customers
and Markets

Flexibility

Processes
and Products

Group
and Profit

Integrity

Quality

Staff
and Partners

Group Report 2008

Solid Values

UNIQA The insurance of a new generation.

Highlights 2008

- Premium volume again exceeds previous year:
  €5,825 million (+10,4%)
- Number of insurance policies further increased:
  14.7 million (+12.0%)
- UNIQA grows ahead of the market in operational business
- Eastern expansion remains on track – solid organic growth
- Market position in Romania considerably strengthened by the acquisition of UNITA – the sixth-largest property insurer in the country
- Result diminished by financial market crisis:
  Profit on ordinary activities €90 million
- Dividend: 40 cents per share

The insurance of a new generation

The UNIQA Group Austria is one of the leading insurance groups in Central Europe. It unites **Austrian identity** with a **European format**.

Under the umbrella of the publicly listed company UNIQA Versicherungen AG, the Group is active in all segments of the insurance business through all sales channels. UNIQA is pursuing a strategy of consistent yield-oriented growth through expansion and internationalisation. In addition to Austria, the Group is currently successfully active in 19 other markets of Central and Eastern Europe. As we expand in Eastern and South Eastern Europe, UNIQA and the Raiffeisen bank group assist and compliment each other within the framework of a "Preferred Partnership" and work together to open up new paths in the area of bank assurance.

Company values such as quality, respect, integrity, togetherness and flexibility are core factors in the success of the UNIQA Group. The claims to innovation leadership and added value for the customers form a further foundation for satisfying the ambitious strategic and operational goals of the Group.

Contents

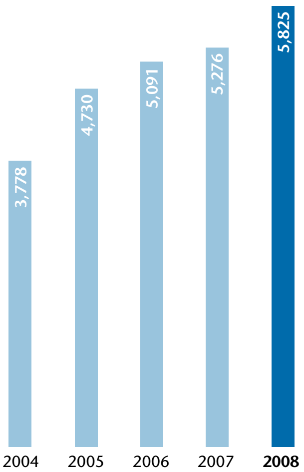
Group key figures	Page	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million
Premiums written	93	5,002	4,528	4,532	4,370	3,600
Savings portion of premiums from unit- and index-linked life insurance		823	748	559	360	178
Premiums written incl. the savings portion of premiums from unit- and index-linked life insurance[1]		**5,825**	**5,276**	**5,091**	**4,730**	**3,778**
Premiums earned (net)[2]	93	**4,730**	**4,106**	**4,130**	**4,000**	**3,302**
of which property and casualty insurance		2,214	1,858	1,716	1,628	1,394
of which health insurance		946	906	887	849	742
of which life insurance		1,570	1,342	1,527	1,523	1,166
Premiums earned (net) incl. the savings portion of premiums from unit- and index-linked life insurance		**5,504**	**4,801**	**4,629**	**4,311**	**3,431**
Insurance benefits	96	**–3,562**	**–3,597**	**–3,716**	**–3,777**	**–3,033**
Operating expenses (net)[3]	93, 97	–1,237	–1,056	–967	–928	–826
Cost ratio (net after reinsurance)	37	**22.5%**	**22.0%**	**20.9%**	**21.5%**	**24.2%**
Cost ratio (adjusted for the change in deferred acquisition costs)	37	**22.4%**	**22.4%**	**22.1%**	**22.6%**	**24.9%**
Combined ratio (gross before reinsurance)	39	**94.2%**	**98.7%**	**95.4%**	**98.2%**	**95.8%**
Net investment income[4]	48, 94	189	955	865	963	748
Profit on ordinary activities	48	**90**	**340**	**238**	**190**	**121**
Net profit	48	**67**	**269**	**175**	**133**	**102**
Investments[5]	46, 76	21,342	21,544	21,155	19,367	16,598
Technical provisions (net)[6]	46, 47, 87	19,857	19,559	19,064	17,674	15,544
Shareholders' equity	50	1,265	1,336	1,122	930	683
Total equity incl. minority interests	50	1,459	1,532	1,330	1,134	860
Average number of employees	38, 98	13,674	10,997	10,748	9,943	9,701
Insurance policies		14,699,534	13,130,215	12,533,673	11,892,828	11,739,085

1) Values gross before reinsurance.
2) Fully consolidated values.
3) Incl. reinsurance provisions and profit shares from reinsurance business ceded.
4) Minus financing costs.
5) Incl. self-used land and buildings, land and buildings held as financial investments, shares in associated companies and investments held on account and at risk of life insurance policyholders.
6) Incl. technical provisions for life insurance policies held on account and at risk of policyholders.

Premium volume

incl. the savings portion of premiums from unit- and index-linked life insurance

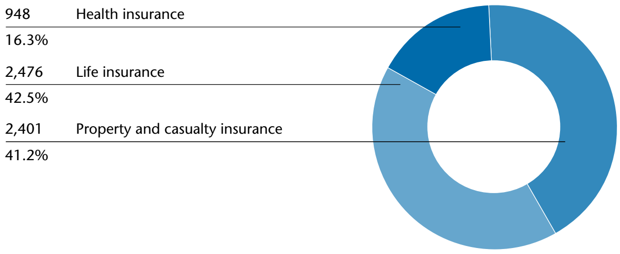
in € millon



Premium volume 2008

incl. the savings portion of premiums from unit- and index-linked life insurance

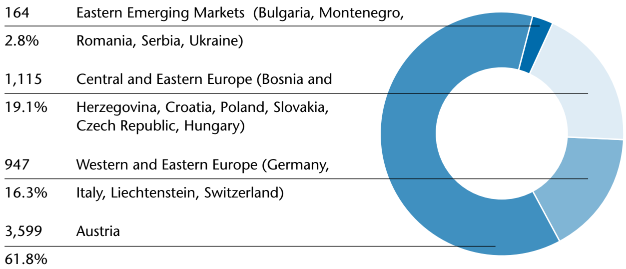
in € millon



Premium volume 2008 by region

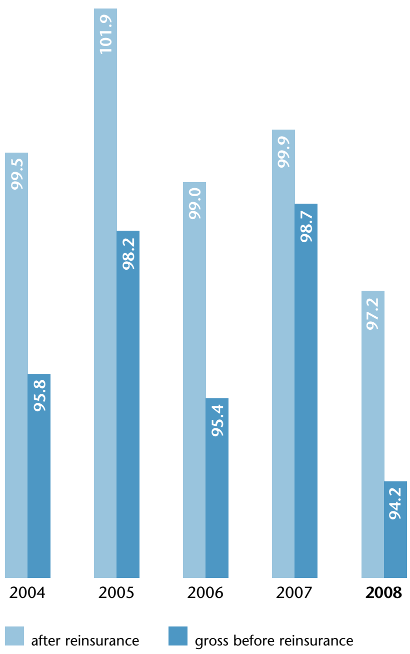
incl. the savings portion of premiums from unit- and index-linked life insurance

in € millon



Combined ratio

in %



Broad Coverage in Europe

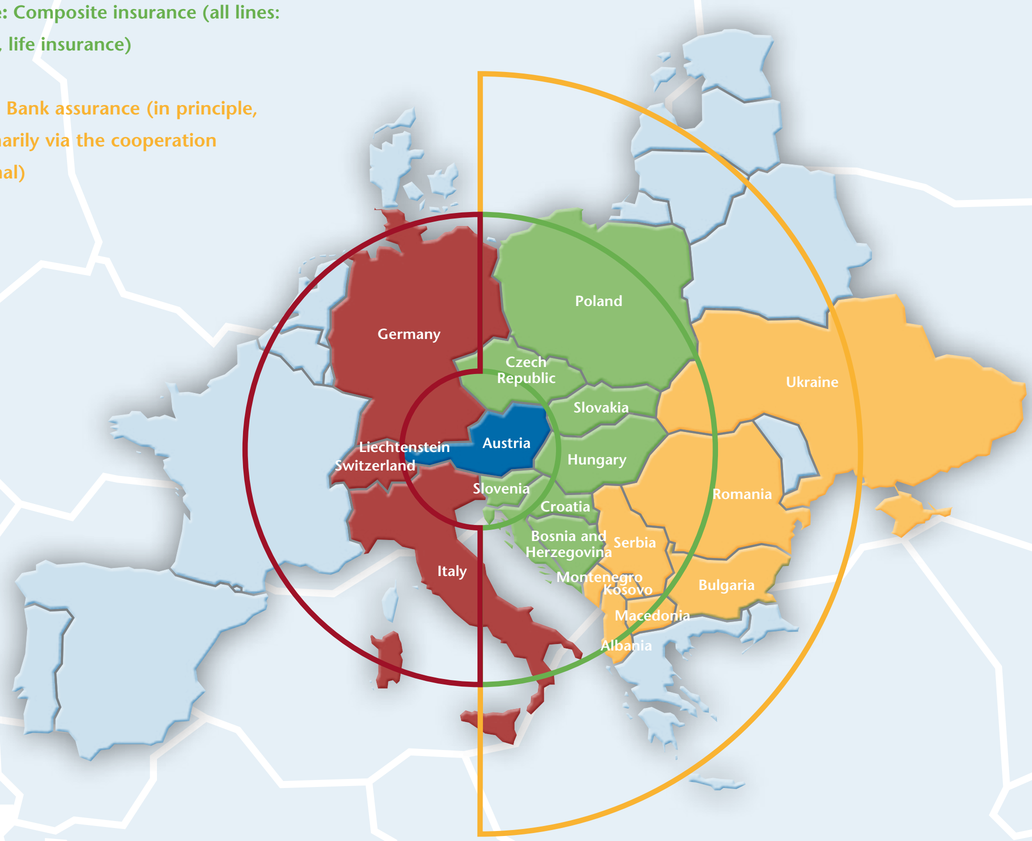
UNIQA's target markets

Austria: Composite insurance (all lines: property and casualty, health, life insurance)

Western European Markets: Specialities (niches such as art or transport insurance, insurance of orchestra instruments, health insurance for international organisations, etc.)

Central and Eastern Europe: Composite insurance (all lines: property and casualty, health, life insurance)

Eastern Emerging Markets: Bank assurance (in principle, all lines; sales take place primarily via the cooperation partner Raiffeisen International)



40 insurance companies

7 million customers

14.7 million policies

20 markets

13,674 employees

€5,825 million premium volume

Region	Markets	Policies on 31 Dec. 2008 in millions	Premium volume 2008 in € million	Employees 2008
Austria	Austria	8.4	3,599	6,016
Western European Markets	Germany, Italy, Liechtenstein, Switzerland	1.4	947	986
Central and Eastern Europe	Bosnia and Herzegovina, Croatia, Czech Republic, Hungary, Poland, Slovakia, Slovenia	3.6	1,115	2,954
Eastern Emerging Markets	Albania, Bulgaria, Kosovo, Macedonia, Montenegro, Romania, Serbia, Ukraine	1.3	164	3,718

Dear shareholders, customers and business partners,


Christian Konrad
Chairman of the Supervisory Board

The 2008 financial year was characterised by the dramatically accelerating crisis on the capital markets and the subsequent worsening of economic conditions outside of the financial sector as well. It can be assumed that the global economy will continue to suffer in the current 2009 financial year and that we will have to wait a while for any recovery. However, it is important not to lose sight of the fact that governments around the world are aware of the challenges posed by the current economic crisis and are dedicating enormous funds to stopping the downward economic spiral and stimulating growth. The effects of these programmes will be key to returning the global economy to a course of growth.

UNIQA was unable to evade these negative developments in the 2008 financial year. It should be noted, however, that both the growth and technical results of the Group were positive in 2008. The improvement in the technical results, the strengthening of our market position in the markets of Central and Eastern Europe and the further internationalisation of our business activities through the development of new markets were nevertheless offset considerably by the negative consequences of the capital market developments on our investments. The significantly reduced investment results are therefore primarily responsible for UNIQA's inability to achieve the 2008 profit targets and the reduction in the Group's pre-tax results to roughly €90 million.

This is also the reason why we will recommend to the Annual General Meeting a dividend of 40 cents per share, which is 10 cents lower than in the previous year.

The past financial year once again confirmed the correctness of our strategy of broad regional diversification of our business activities. It has also been demonstrated that the markets of Central and Eastern Europe represent a central element in this strategy. The receding global economic conditions have indisputably impacted the countries of Central and Eastern Europe as well. However, it is clear that these countries have been affected to strongly varying degrees and that, for this reason, the gloomy, generalised assessments of the economic situation in Central and Eastern Europe are not plausible. It also cannot be disputed that these markets continue to exhibit enormous medium- and long-term growth potential and that there is absolutely no justification for turning our backs on the region. On the contrary, both UNIQA as a group that includes companies established within the region as well as policymakers at European level must support the countries of Central Europe in overcoming the crisis and work to restore sustained, positive economic development.

I would like to thank all our employees for their strong commitment and hard work under the difficult conditions of the 2008 financial year.

We also remember with found gratitude one of the "founding fathers" of UNIQA, Klaus Braunegg, who has sadly passed on at far too young an age. Dr. Braunegg contributed greatly to the creation and implementation of the "UNIQA idea" and helped shape the developments of the Group over the past years.

Vienna, April 2009

Konrad

Christian Konrad

Dear ladies and gentlemen,

The 2008 financial year was marked by an intensifying global economic crisis and the associated upheavals on the capital markets. Even UNIQA did not remain untouched by the consequences of these developments. Nevertheless, the performance of our Group in the past financial year shows that we are well prepared even for difficult times. The Profit Improvement Programme underway now for several years, our further regional diversification, as well as attractive products and modern instruments for controlling the company have put us in a position to further expand our market position in a number of markets, in particular in Central and Eastern Europe, while at the same time partially dampening the sometimes drastic effects of the negative capital market developments.

With the purchase of UNITA in Romania, we have taken another large step in expanding our market position in the markets of Central and Eastern Europe. We are convinced that these markets will remain a central component of our further strategic development despite all difficulties currently affecting these countries to varying degrees. In the established markets in Central and Eastern Europe, we have succeeded in effectively strengthening our market position through growth far exceeding the market average. The high profit contributions of these countries also show that this was possible without sacrificing profitability. These areas are contrasted by the new markets such as the Ukraine and Romania, where we are currently placing our focus on structural build-up.

The key pillars of our Eastern European strategy also include continued intensification of our strategic partnership with Raiffeisen International. The premium volume resulting from this cooperation already reached approximately €380 million in the past financial year. How well our company policy is paying off can also be seen in the fact that the international markets made an over-proportional contribution to Group profit in 2008.

But we also succeeded in solidifying our strong market position in Austria. UNIQA has consistently developed the image of an innovative company over recent years. We intend to build upon this in the future to secure our market position over the long term. Examples of the innovative strength of our company include SafeLine, the first kilometre-based automotive insurance with additional safety features, and FlexSolution, a highly innovative product for long-term, old-age pensions that flexibly combines elements of classic and unit-linked life insurance into a single product.

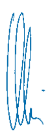
Konstantin Klien
Chairman of the Management Board

We create additional value for our customers through a series of service instruments such as the UNIQA QualityPartnership and the severe weather warnings by SMS or e-mail. We would like to further improve the efficiency of our own business processes through consistent utilisation of cost advantages within the Group.

The Group profit before taxes of approximately €90 million has clearly declined compared with the previous year due to the negative capital market developments. Nevertheless, we will recommend a dividend in the amount of 40 cents per share to the Annual General Meeting in the interests of a sustained dividend policy.

Our employees and partners performed outstanding work in 2008 within an exceptionally difficult environment. We would like to thank all our employees and partners for their commitment and high flexibility in facing the challenges of the past year.

Vienna, April 2009



Konstantin Klien

Strategy

Profitable International Growth

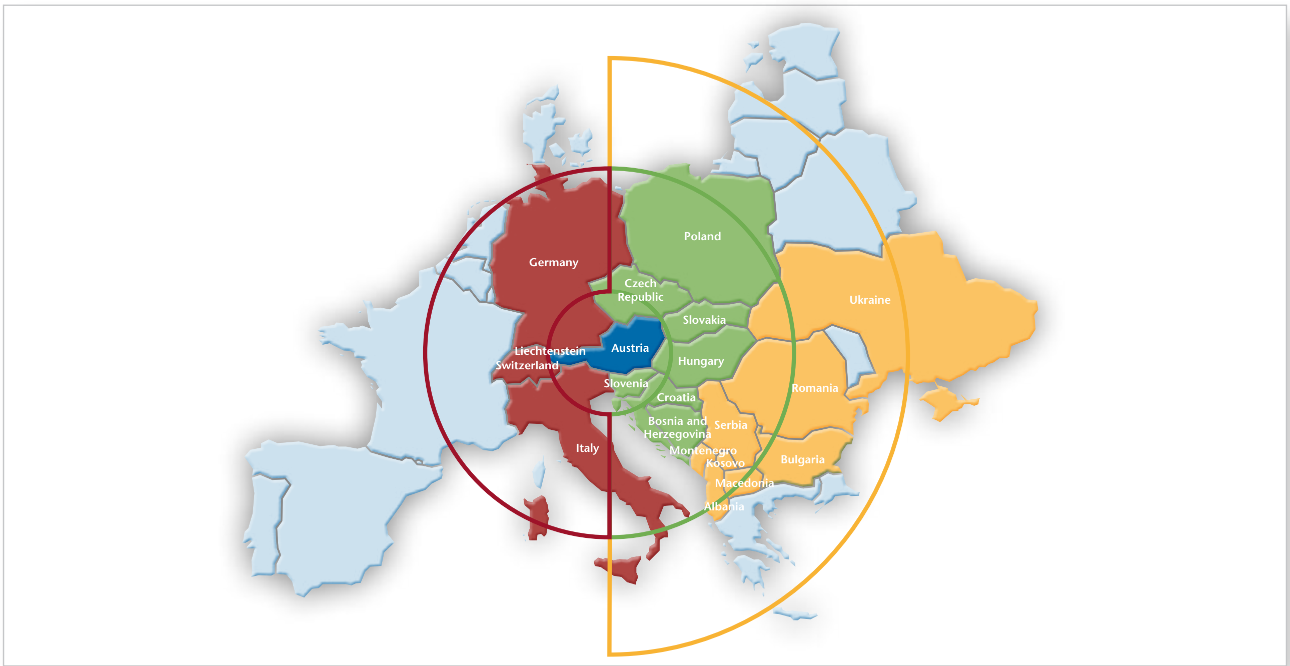
Consistent internationalisation and a sustainable increase in yield – these are the core goals of the UNIQA Group's expansion strategy. The Group continued persistently with this strategy in 2008 despite the fact that the economic environment on the financial markets had become considerably more difficult by the end of the year.

The UNIQA Group continues to pursue its top-level goals – even in the considerably harsher environment since the outbreak of the international financial and economic crisis. Visible proof of the success of our concerted efforts to implement our growth strategy in 2008 was, once again, the above-average growth in premium volume by a total of 10.4% to €5,825 million and above all of the premium revenue in Eastern Europe by 56.7% to €1,279 million. On the other hand, profit (before taxes) sank to €90 million because of the economic crisis and mainly due to the turbulences on the financial markets. Given these developments, the UNIQA Group has also postponed its medium-term forecast until further notice.

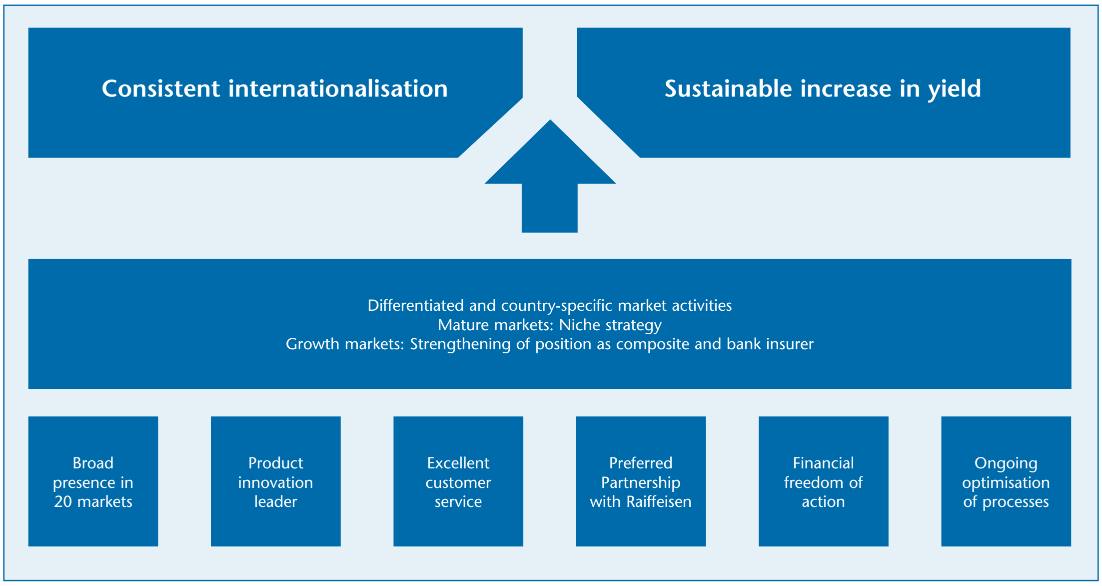
Targets and core strategies remain unchanged

The central strategic concern of the UNIQA Group is to preserve its strong position in the Central and Eastern European markets in times of tough competition and increasing globalisation. This should make it possible for the Group to operate successfully in the largely saturated markets in Austria and Central Europe while at the same time actively taking advantage of the historic opportunities presented by the exceptionally dynamic regions encompassing 360 million people within and beyond the eastern borders of the EU.

Strong presence in Central, Eastern and South Eastern Europe



In implementing these goals, UNIQA is pursuing the following basic strategic approaches, and has laid them out in operational action plans.



The Group defined a target for average (pre-tax) return on equity of at least 20% as a guide to ensure successful implementation of its strategy; up until now, the medium-term forecast for the result was €430 million by 2010. However, in light of the volatile market environment, as already mentioned, this has been postponed until further notice.

As far as continuing the Group's internationalisation is concerned, UNIQA aims in the medium term to bring the share of international premiums within the entire Group's premium volume up to 50%. Of this amount, a considerable percentage should come from Eastern Europe. In addition, the company has set concrete medium-term targets for the respective market shares in the various growth markets in Central, Eastern and South Eastern Europe.

Well-positioned in Central, Eastern and South Eastern Europe

With 40 insurance companies in a total of 20 markets, a premium revenue of €5.8 billion and investments amounting to over €21 billion, UNIQA has managed to position itself in only a few years as one of the leading market players in Central, Eastern and South Eastern Europe. In the past few years, the Group was able to expand its sphere of activities in South Eastern Europe to include Albania, Macedonia and Kosovo. At the same time, by expanding its financial commitment in Bulgaria and Ukraine, it was able to further strengthen its position in these quickly growing markets.

The most recent highlight of this expansion was in November 2008 with the 100% takeover of UNITA, the sixth-largest Romanian property insurer, giving UNIQA a market share of over 7% in one of the largest markets in the European East in one swoop.

International business becoming increasingly important

The markets in Central, Eastern and South Eastern Europe currently contribute 22% to the premium revenue of the UNIQA Group; in 2008, the total portion of premiums generated by all international business was over 38% and should be rising even more. With this increasing internationalisation of business volume as well as the Group results, the Group is not only diversifying the risks of its corporate portfolio both regionally and by product groups and distribution channels, it is also laying the foundation for fulfilling its ambitious growth targets.

In the process, the UNIQA Group is pursuing differentiated strategies in the various regions: In **Austria**, UNIQA wants to maintain its strong position with segment-focused qualitative growth and higher returns. The **Western European markets**, characterised by higher insurance density, contributed roughly 16% of the Group premiums in 2008. The Group holds profitable niches in these markets and succeeds through exclusive offerings in individual distribution channels such as bank and broker sales. In **Central, Eastern and South Eastern Europe**, the UNIQA Group is relying not only on the optimisation of its financial commitment but also on a targeted increase of its market shares and on a partnership-oriented acquisition of the majority of its various associated companies.

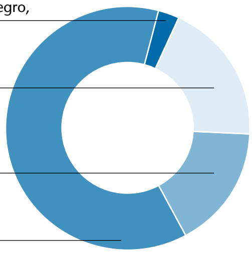
The "Preferred Partnership" with Raiffeisen International has proven to be very valuable in a number of markets in Eastern and South Eastern Europe.

Premium volume 2008 by region

incl. the savings portion of premiums from unit- and index-linked life insurance

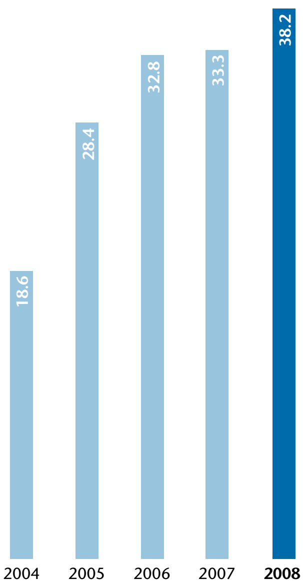
in € million

164	2.8%	Eastern Emerging Markets (Bulgaria, Montenegro, Romania, Serbia, Ukraine)
1,115	19.1%	Central and Eastern Europe (Bosnia and Herzegovina, Croatia, Poland, Slovakia, Czech Republic, Hungary)
947	16.3%	Western and Eastern Europe (Germany, Italy, Liechtenstein, Switzerland)
3,599	61.8%	Austria



Growing share of international business

in %



Ongoing expansion of market presence in CEE

In order to expand its position in the new markets in a focused manner, UNIQA launched a series of dynamisation projects in sales. The goal is to increase the various market shares in the non-life sector to between 5% and 7% and in the life insurance sector to 3%. This expansion of market presence is accompanied by a uniform brand and marketing concept throughout the Group as well as shared policies in IT, human resources and management training.

Successful partnership with Raiffeisen

In penetrating the new insurance markets, the "Preferred Partnership" with the Raiffeisen bank group has proved to be very valuable. The cooperation is an efficient sales channel that now covers 13 countries in Eastern and South Eastern Europe; all of these areas are still highly underdeveloped, both in insurance and banking. This means that both partners profit from the co-operation, which also promises to continue bringing above-average growth levels in the future. Since 2004, the first year of this cooperation, the premium volume generated together has increased to over €380 million in the year 2008.

Innovative leadership ensures a competitive advantage

As it expands, the UNIQA Group will continue to persistently leverage its strengths as a product pioneer and innovation leader. The company will continue its approach of laying claim to certain topics of the future, thereby confirming its reputation as a trendsetter over the long term.

UNIQA can look back on a long tradition of innovative product design, giving it an obvious competitive advantage on the market. Recent examples of this are the first kilometre-dependent motor vehicle insurance with additional safety features and a highly innovative product for long-term old-age pensions, which blends elements of classic and unit-linked life insurance with a

Konstantin Klien
Chairman of the Management Board

"International growth and a sustainable increase in yields made possible by excellent performance, innovative leadership and ongoing optimisation; these are our central goals – yesterday, today and tomorrow."

completely new level of flexibility so that it can be adapted at any time to the current needs of the customer. As market leader in health insurance, UNIQA set new standards by combining extensive medical insurance protection with effective preventive measures and useful assistance services. Innovative services for premium category customers, customised offers for children and packages for expatriates round off the portfolio.

Promoting customer loyalty with differentiated products

Innovative products are supplemented by a broad range of service instruments that create an attractive added value for customers, binding them more strongly to the company. In this way, UNIQA proves its high level of expertise in developing products with additional value and unique selling points in the market. This reinforces the brand's image and aids both the acquisition of new customers and targeted cross-selling in the sense of a "total customer" strategy. Offers such as the extensive information service **UNIQA Companion**, the **UNIQA QualityPartnership** and the extremely popular **weather warnings** by SMS and e-mail have all been very well received.

As an additional success factor, UNIQA cultivates the capability of its employees to find innovative solutions by providing ongoing training as part of its customised staff development programmes. The outstanding quality of the Group's human capital on all levels is essential for the successful implementation of its corporate strategy, which is why it is constantly refined and developed through aggressive personnel management. This includes flexibility and mobility across country borders.

EBRD expands financial options

An important factor in UNIQA's expansion in Eastern Europe is provided by the European Bank for Reconstruction and Development (EBRD). In 2007, the EBRD increased the scope of its financial cooperation with the Group from the previous €70 million to the current €150 million. This provides UNIQA with noticeably more funds for minority investments by the EBRD in UNIQA companies in Central and Eastern Europe.

Consistent process optimisation

Further potential for sustainable expansion has been created with UNIQA's third Profit Improvement Programme 2007–2010. It should bring a clear improvement in the profit on ordinary activities by 2010. To this end, UNIQA has developed concrete action plans, making an effort to noticeably lower the claim and cost ratios even further, to compress structures, eliminate redundant work in the corporation and save money by outsourcing certain tasks to international Group companies.

Hannes Bogner
Member of the
Management Board

Andreas Brandstetter
Member of the
Management Board

Konstantin Klien
Chairman of the
Management Board

Karl Unger
Member of the
Management Board

Gottfried Wanitschek
Member of the
Management Board

Hannes Bogner
Member of the Management Board

- Born in 1959
- Academic background: Business administration

Hannes Bogner has been with the UNIQA Group since 1994 and was appointed to the Management Board in 1998. Prior to this, he worked at THS Treuhand Wirtschaftsprüfungsgesellschaft in Salzburg and at PwC PricewaterhouseCoopers in Vienna. Mr. Bogner became a tax consultant in 1988 and a chartered accountant in 1993.

- Responsible for: Group accounting, planning and controlling, asset management (back office), investor relations, industry customers and reinsurance policy
- Country responsibility: Germany, Italy, Poland, Switzerland

Andreas Brandstetter
Member of the Management Board

- Born in 1969
- Academic background: Political science and history

Dr. Brandstetter joined the Group in 1997 and was responsible for the restructuring of UNIQA Versicherungen AG in 1999; he was appointed to the Management Board in 2002. Before that, he was head of the EU office of the Austrian Raiffeisenverband in Brussels and completed the MBA programme at the California State University.

- Responsible for: New markets, mergers & acquisitions, bank sales policy
- Country responsibility: Albania, Bulgaria, Kosovo, Macedonia, Montenegro, Romania, Russia, Serbia, Slovenia, Ukraine

Konstantin Klien
Chairman of the Management Board

- Born in 1951
- Academic background: Economics

Dr. Klien joined the UNIQA Group in October 2000 as Vice Chairman of the Management Board. Since 1 January 2002, he has been Chairman of the Management Board and CEO of UNIQA Versicherungen AG.
Dr. Klien began his professional career at Arthur Andersen and transferred to Nordstern Versicherung in 1978, where he was appointed to the Management Board in 1986. In 1991, he became Chairman of the Board of the holding company AXA Austria and also exercises executive functions for the AXA companies in Central Europe since 1995.

- Responsible for: Group management, sales, planning and controlling, human resources, marketing, communications, investor relations, internal auditing
- Country responsibility: Austria

Karl Unger
Member of the Management Board

- Born in 1953
- Academic background: Actuarial mathematics

Karl Unger began his professional career in 1979 as an actuary at Volksfürsorge Versicherung. He later transferred to Nordstern Versicherung, where he was appointed to the Management Board in 1994 and took over the life insurance department. In 1999, Karl Unger took on responsibility for Central Europe within the AXA Group. He switched to UNIQA in 2001 as head of the administrative department for corporate planning and joined the Management Board of UNIQA Versicherungen AG in 2002.

- Responsible for: Private customer business, IT, company organisation, customer service, Group actuarial office, risk management
- Country responsibility: Liechtenstein, Hungary, Slovakia

Gottfried Wanitschek
Member of the Management Board

- Born in 1955
- Academic background: Law

Dr. Wanitschek started working in the insurance business back in the eighties and was first head of the legal office and later secretary general of Raiffeisen Versicherung AG. From 1991 until he was appointed to the Management Board of UNIQA Versicherungen AG in 1997, he was director of Beteiligungsholding Leipnik-Lundenburger Industrie AG, managing director of Kurier GmbH, member of the executive management at Mediaprint and director of Zeitschriften-Verlagsbeteiligungs-AG.

- Responsible for: Asset management (front office), equity holdings, property management, legal affairs, general administration, internal auditing
- Country responsibility: Bosnia and Herzegovina, Croatia, Czech Republic

Customers & Markets

A Cut Above in Service Quality

In addition to attractive products and first-class performance, individual extra service is particularly important to today's customers. UNIQA lives up to this demand for qualitative differentiation with a broad range of innovative service tools.

Broad portfolio of customer advantages

The many, for the most part free, advantage packages that UNIQA offers represent attractive added value for customers. They emotionalise the insurer as a supplier of a comprehensive solution for customers, which binds them more strongly to the company. In this way, UNIQA proves its high level of expertise in developing products with additional value and unique selling points in the market. This reinforces the brand's image and aids both the acquisition of new customers and targeted cross-selling in the sense of a "total customer" strategy.

The UNIQA QualityPartnership – All-inclusive VIP support

One of the central instruments for acquiring and retaining customers is the QualityPartnership offered by UNIQA since 2003. This unique insurance and service package combines exclusive care and complete transparency across all insurance policies and payment flows with an interesting assortment of special benefits. These range from a "no-claims bonus" to advantages based on the level of sales comparable to frequent flyer programmes as well as membership in the UNIQA VitalClub. Over 400,000 customers are benefiting from these advantages already.

QualityPartnership – Attractive in every way

- Automatic membership in the UNIQA VitalClub, Austria's largest health programme with over a million members
- No-claims bonus: Premium refunds of up to €200 annually in cash if no claims have been filed
- Guaranteed active support by an exclusive adviser
- Annual "policy review": Updating and adapting of the insurance coverage to reflect changes in the customer's life situation
- PartnerConto as a "financial control centre"
- PartnerPoints programme: From attractive health and safety benefits to vouchers for sports trips or a stay at a thermal spa
- myUNIQA.at: Around-the-clock online access to QualityPartnership services

„My Sure Advantage" at Raiffeisen Versicherung

The customer and service programme "My Sure Advantage" offered by Raiffeisen Versicherung – Austria's leading bank insurer – continues to grow in popularity among customers. The programme offers a 5% premium reduction in the absence of claims to customers with at least two insurance policies in different segments and a 10% no-claims bonus plus additional special services such as a premium-free life insurance policy if the customer has three or more policies. In 2008, the free weather warning by SMS and e-mail already offered with great success by UNIQA was introduced for Advantage Customers at Raiffeisen Versicherung as well. Complete access to all existing


Andreas Brandstetter
Member of the Management Board

"Quality in winning over our customers is one of our secrets to success. It is based on a broad portfolio of benefits and service packages that give each of our customers their own individual advantage. They experience insurance at a personal level."

policy data is also available at mein.raiffeisen.at. So far, already about 150,000 customers have decided to participate in this attractive advantage programme.

The UNIQA Companion – Always at the customer's side

Comprehensive support and help for the customer that goes beyond simple insurance – this was the idea behind the UNIQA Companion service package that was introduced in the year 2007. Fulfilling its claim to unique solution competence, long-lasting customer relationships and top quality, UNIQA expanded the borders of its brand and its world of advantages by adding an important element in the shape of this new offer of assistance. At the same time, it has established its position as leader in this market area and as a pioneer in matters of customer care.

The UNIQA Companion is already a reliable assistant in daily life for more than four million UNIQA customers. At no cost and with no separate registration required, this service offers all members of the UNIQA family in Central, Eastern and South Eastern Europe useful and product-independent information on topics of mobility, social issues, home, health and lifestyle. The broad selection of topics includes legal and tax information pertaining to motor vehicles, bus and train schedules, weather reports, fuel prices, exchange rates, off-hour services of pharmacies and physicians and even restaurant guides and information on local events.

This internationally available service is offered in person at 70 select service points or over the phone 24 hours a day, 365 days a year. Naturally, customers can consult the Companion Hotline in their respective native language.

UNIQA Companion – For all of life's situations

- Free information and organisation services
- One-stop shop: A single point of contact for many different topics
- Broad range of information on topics of mobility, social issues, home, health and lifestyle
- Automatically accessible and free of charge for all UNIQA customers
- Available while at home or abroad
- Over the phone or in person at 70 UNIQA service points in seven countries
- Companion Hotline available 24 hours a day, 365 days a year

Attractive extra service: Weather warnings by SMS and e-mail

The electronic weather warnings introduced by UNIQA in 2004 have proven to be extremely helpful. This innovative service is now used by roughly 260,000 private customers and 1,200 municipalities to stay regularly informed of the threat of rainstorms, floods or hurricanes via warnings by SMS or e-mail. In addition, UNIQA lives up to its role as an insurance partner with recommendations on how to avoid damage claims. For example, over 3.3 million warnings were sent out to UNIQA customers in the year 2008 due to the major storms "Paula" and "Emma".

In 2008, the UNIQA VitalClub was recognised for the third time with the DISKUS, the award of the Austrian sports industry for services at the crossways between sports and business.

One major advantage of the weather warnings is that customers do not receive the usual forecasts for large regions but rather for their specific home town or vacation spot. To ensure this level of precision, data from about 180 weather stations are continuously evaluated in detail.

As a supplementary service, UNIQA collaborates with Raiffeisen Versicherung to set up free telephone hotlines for each specific storm warning. These hotlines offer customers expert advice on insurance questions and quick help concerning how to fill out their damage claims correctly. Since the beginning of 2009, UNIQA is also offering the weather warnings in Hungary and plans to launch them in more of the foreign markets in the coming years.

The UNIQA VitalClub – Austria's largest programme for lifestyle and vitality

The UNIQA VitalClub provides about a million members with a number of attractive offers in the areas of exercise, nutrition, mental fitness, energy and their personal environment. With this service, UNIQA is living up to its responsibility as the Austrian market leader in health insurance while also establishing a highly effective instrument for increasing customer loyalty. In 2008, this UNIQA initiative was recognised for the third time with the DISKUS, the award of the Austrian sports industry for services at the crossways between sports and business.

The central feature of the VitalClub is the UNIQA VitalCoach – a holistic, personal advisor in matters of wellness, exercise, proper nutrition, mental fitness and a healthy lifestyle. A total of 100 such experts work throughout Austria as competent contact people for customers and help them actively keep and promote their health and vitality. Aside from the advice of the VitalCoaches, there is also a broad range of opportunities available, from attractive VitalSeminars and the VitalTour to the free UNIQA VitalEdition with its extensive information and tips on health topics. UNIQA additionally offers an abundance of individual projects for promoting health in business as part of the VitalClub.

The UNIQA TopConto – Financial control centre for all private insurance policies of customers of broker partners

Approximately 40,000 customers of Austrian brokers already enjoy the advantages of the UNIQA TopConto. In addition to membership in the VitalClub and automatic subscription to the UNIQA weather warning service, it primarily offers a high level of convenience in the management of a private insurance portfolio. Only one booking per month, an attractive 5% multi-policy bonus and the elimination of partial payment fees are the most important advantages. These are supplemented by regular information about any changes that affect premiums; the customer can either look them up any time at myUNIQA.at or have them sent by post.

The UNIQA SuccessPartnership – Additional service for commercial customers

In view of the positive experience with the QualityPartnership, UNIQA has also put together a customised advantage package for its commercial customers: the SuccessPartnership. With its unique product design, it targets the specific needs of business people. About 12,500 company customers, freelancers and farmers are profiting only two years after the introduction of this innovative combination of insurance protection plus numerous supplementary benefits and assistance services that meet the customers' needs.

The UNIQA VitalTour – a tour filled with information, entertainment and activities for all aspects of health, fitness and prevention for the future.

In addition to the SuccessBonus, a premium refund that depends on premium volume and claim intensity, the SuccessConto is available to SuccessPartners as a billing platform. The online platform myUNIQA.at offers an extensive overview of policies, premiums, credits, account statements, payment due dates, and personal customer data, all accessible around the clock. Other service and assistance offers range from the solicitor PLUSservice, the UNIQA weather warnings and the agricultural weather service for farmers to the MedPLUS 24service and membership in the UNIQA VitalClub.

Top ratings in brand awareness, brand value and customer satisfaction

UNIQA's pioneering work in developing new product combinations with added value and modern user-oriented services is paying off. Opinion polls performed annually by market research institutes regularly produce top ratings both in the brand awareness of the Group's companies and brands as well as in customer satisfaction.

For example, UNIQA remains as the company with the highest brand value, receiving top ratings from insurance customers in Austria in the categories of friendliness, innovation, company loyalty and service quality. UNIQA is also as unrivalled in brand awareness as in brand loyalty. UNIQA likewise achieved the highest values across all insurance sectors in answer to the question of which provider customers would choose when taking out a new policy.

In the area of customer satisfaction, UNIQA was able to further solidify its leading position on the Austrian insurance market in 2008. UNIQA was once again the top company among Austrian insurers for 46% of the population. It received the best ratings in company loyalty (56%), above-average service (57%), friendliness (44%) and innovation focus (30%).

- **Recipient of the RECOMMENDER award:** In recognition of exceptional service and high brand loyalty, UNIQA was honoured with the RECOMMENDER award. This award acknowledges the willingness of customers to recommend a company or a product.
- **Participation in the GEWINN trade fair:** With a modern fair booth and a qualified team of experts, UNIQA presented its high competence in all insurance and pension matters to roughly 14,500 visitors at the European trade fair for capital investment in the Vienna Congress Center.
- **Focus on nursing care provisions:** As a leader in innovation, UNIQA is well prepared for the growing interest in private nursing care provisions, a topic of increasing importance for 83% of the Austrian population, with our innovative nursing care offering Pflege & Vordenken.
- **VitalTour 2008:** With the UNIQA VitalTour 2008 launched by the VitalClub, UNIQA started a tour for the purpose of spreading information, entertaining and promoting activities for all aspects of health, fitness and prevention for the future. As part of the tour, customers had the opportunity to win an activity day with head coach Stephan Eberharter.

Processes & Products

Versatility in Satisfying the Highest Standards

Consistent product innovation and flexible responses to the specific needs of its customers are among the UNIQA Group's central success factors. Creative product design is just as important here as modern information technology.

Advantage through innovation

UNIQA regularly introduces new products to the market, proving itself again and again to be a leader in innovation in the Austrian insurance business. Be it property, health, casualty or life insurance – UNIQA puts the spotlight on customised solutions and excellent benefits for the customer.

FlexSolution – As versatile as life itself

UNIQA's product developers have created a unique product for long-term old-age pension: FlexSolution impresses with maximum flexibility, combining in one policy for the first time ever the guaranteed benefits of classic life insurance with the higher yield prospects of unit-linked life insurance. An innovative product that combines the best advantages of both worlds.

Concluded for an unlimited time period, FlexSolution ideally accommodates the changes that occur over and over during the course of a person's life: the customer can always vary the weighting between classic and unit-linked elements according to his needs and his productivity. That means he can set the amount of risk protection, the amount of premiums as well as the type of investments to reflect his current life situation and investment desires – free of charge and as often as he wishes.

The product, introduced to the market in 2008, has been very well received. In the meantime, over 8,000 new customers have already come to enjoy the advantages of FlexSolution. In the course of the financial market crisis it has become quite obvious that the chance to flexibly adjust investments on an ongoing basis between profit and guarantee is an innovative product feature that is very popular.

FlexSolution – Advantages at a glance

- Combines the advantages of two worlds – guaranteed benefits and higher yield opportunities
- Flexible distribution of the premium between the guarantee portion and the yield-oriented components
- Guaranteed portion: Choice between classic (minimum interest rate plus profit sharing) and a more yield-oriented investment
- Yield-oriented components: Choice of three portfolios administered by experts (stock percentage from 20% to 100%) or over 150 individual funds of internationally renowned capital investment companies
- The opportunity to make changes to all choices at any time
- Individually designed terms and withdrawal structures

Raiffeisen PersonenSchutz: Combination of life and casualty insurance

Similarly, one can have the highest conceivable level of flexibility with a new product by Raiffeisen Versicherung called Raiffeisen PersonenSchutz, a combination of life and casualty insurance. The customer can choose here between different variations of life insurance with freely definable benefits in the case of death and casualty insurance with a premium-free rehabilitation allowance that is paid out if in-patient care is required after an accident.

Flexible as life itself. Thanks to the combination of two investment worlds, FlexSolution ideally accommodates the changes in the customer's life situation – as often as he wishes.

New in Europe: The motor vehicle product SafeLine combines comprehensive safety in an emergency with savings on premiums for those who drive less.

UNIQA SafeLine – Motor vehicle insurance that can save lives

UNIQA brought an innovation to the motor vehicle insurance sector in 2007 that garnered a great deal of attention and was very well received by the market. As the only provider in German-speaking Europe, UNIQA is selling a completely new motor vehicle insurance product that combines a rate based on the annual number of kilometres driven with an extensive safety system. SafeLine offers premium savings and safety advantages that are made possible through a small GPS box in the car that is equipped with a crash sensor. In the case of a moderate to severe impact, the crash sensor automatically sends an alarm with the exact location to the dispatch centre. In the case of health emergencies, other dangerous situations or even if the car breaks down, the driver can independently trigger the alarm. In addition, stolen vehicles can be located to make recovery easier.

SafeLine customers are rewarded for this higher safety level with lower base premiums and can also save flexibly premiums since SafeLine determines the total kilometres driven in a year, making possible a bonus for environmentally-conscious people who drive less than 10,000 km annually. The less the customer drives, the higher the bonus. This means that every SafeLine customer can also optimise his or her individual CO_2 balance and view it at any time on a special Internet portal. With this, UNIQA has secured itself a clear competitive advantage in Europe. Several thousand customers have already chosen the attractive SafeLine rate.

SafeLine – Safety plus savings on premiums

- A GPS unit in the vehicle enables annual kilometres driven to be recorded and increases safety in an emergency
- Premium depends on kilometres driven and street types
- Up to 35% savings
- Environmentally-friendly as an incentive to reduce CO_2 emissions
- A crash sensor detects moderate to severe accidents and alerts the dispatch centre
- Emergency button for medical emergencies, flat tires and other threatening situations – message goes to dispatch centre
- CarFinder feature facilitates recovery after theft
- All safety services also work outside of Austria

Other initiatives for safety and the environment

Since July 2008, as part of the Raiffeisen Climate Protection Initiative, UNIQA and Raiffeisen Versicherung have been supporting private customers who build their homes in accordance with environmental guidelines, in particular when they use energy-saving construction methods. These customers receive an energy bonus in the shape of a premium exemption: they pay no premiums for the first two insurance months. In addition, UNIQA can help you find energy advisers who are authorised to draw up the building's Energy Performance Certificate which has been required since 2008.

UNIQA's campaign Auto & Netz helps protect the environment in a different way. It rewards automobile drivers who also own an annual public transportation ticket by dropping the first two months' premiums of their motor vehicle insurance.

UNIQA carried out a special initiative in property insurance in 2008 for the European Football Championships, which were played in part in Austria. More than 200,000 customers were insured against vandalism during the Championship as part of UNIQA's programme for regular customers without having to pay any additional premiums.

Market leadership reinforced with MedUNIQA

UNIQA was able to highlight its position as Austria's market leader in health insurance with attractive new offers, providing a comprehensive product portfolio once again in 2008. The most important highlight here was the introduction of the new MedUNIQA card, now including additional special information and services for UNIQA's special class customers. Approximately 500,000 special class insured customers received a new card that can be used as before as an "entrance ticket" to special class services and also still serves as a membership card to the UNIQA VitalClub.

But the new card can do much more: it offers access to the UNIQA Medikamentenkompass, an online database that lists any negative interactions between various medicines. Customers can also take a look at the Spitalskompass; this can be a valuable tool for patients when it comes to making a decision about which hospital to go to. It also contains information, for example, about which treatments are carried out at which hospitals.

MedUNIQA Card – Valuable service for special class customers

- "Entrance ticket" for special class customers
- Membership card for the UNIQA VitalClub
- Access to the UNIQA Medikamentenkompass
- Access to the Spitalskompass
- Can be upgraded to contain medical results

Privat Supreme proves its worth

UNIQA's Privat Supreme package continues to be very popular. It is a benchmark in health insurance, combining the best medical insurance protection with effective preventive measures and sensible assistance services.

The service package bundles five key aspects into a single rate and guarantees outstanding, top-quality medical care as well as effective opportunities for learning how to maintain health and fitness:

Approximately ten years after it was stolen from an exhibition, UNIQA, the leading art insurer in Austria, was able to bring one of the famous diamond stars of Empress Sisi back to Austria.

In hospital, the insured person enjoys all the advantages of private patients because UNIQA carries all additional expenses for the special class treatment.

When seeing a doctor or specialist, the customer selects the physician he trusts independent of the health fund contracts and may select the best treatment methods (orthodox or complementary medicine).

As an instrument of prevention, the VitalCheck determines the health status of the customer based on various examinations.

Finally, the customer's personal VitalCoach develops a customised wellness plan with six annual training units based on an individual fitness profile. In addition, the team of physicians at UNIQA's medical call centre is available to answer customer questions at any time.

First Care – New health insurance for children

With "First Care", UNIQA offers a new form of private health insurance for children that automatically adapts to their growing insurance needs. Up to the age of twelve, the company covers the full costs for an accompanying person in all Austrian hospitals and public hospitals in Europe. For children aged 12 to 18, First Care pays the costs of special class treatment in a two-bed room for accident-related hospital stays in lieu of the expenses for an accompanying person. Upon reaching adulthood, UNIQA covers all additional costs of special class treatment in hospital after an accident as well as for a broad range of serious illnesses.

Customised health insurance for people working abroad

The best possible insurance for persons on long-term international job assignments together with their families is offered by UNIQA's expatriates insurance. Private persons can take out this insurance as well as companies that are sending employees abroad. Five different product variants offer the greatest possible flexibility. They differ in the amount of insurance coverage and include various levels of benefits, such as packages valid in certain geographic areas or offering certain scopes of coverage.

The specialised field of art insurance – UNIQA brings the stolen Sisi star back to Austria

As the leading art insurer in Austria, UNIQA insures not only Austrian museums, galleries and other cultural institutions but also an increasing number of private collections. Aside from insurance protection, UNIQA also offers advice on how best to present the pieces in the collection and questions about their conservation and restoration. If insured pieces disappear, UNIQA naturally plays an active role in the investigation and attempts to recover the artwork.

The company was able to celebrate a great success in this regard last August. Approximately ten years after the theft of a famous diamond star that had belonged to Empress Elisabeth, it was possible to return the jewellery to its rightful owners. The star, which had become famous because the Empress wore it in her hair in the portrait by Franz Xaver Winterhalter, had been on loan in an exhibition in Schönbrunn Palace. From there it was stolen directly out of a high security display case. Years of investigations finally led to its discovery in Canada and its return to Austria.

First class products and services – in new markets as well as in Austria. In Croatia, UNIQA has been marketing with Slaven Bilić since autumn of 2008; as trainer of the national football team, he enjoys the status of a national hero. The sponsoring contract was concluded for two years.

In the service of the customer

- Total transparency and information at myUNIQA.at
- Record time for issuing policies starting from 48 hours
- The customer information system called U.KIS provides optimal support for working the market

Focus on processing quality

Offering optimal and quick service that is easy for the customer is one of UNIQA Group's top priorities and constitutes an important competitive edge. Whether it's the speed with which the policies are issued, processing of inquiries and claims or providing information to customers, all services are enhanced by cutting-edge information technology and customer-friendly design.

myUNIQA.at – The practical online customer platform

With the myUNIQA.at portal, UNIQA has created a universal online tool and an optimal platform for its customers similar to the online banking platform common in the banking sector. All information can be called up through this portal – from a detailed overview of the policies, the latest payment plans and the responsible customer representative to the number of points customer have in the PartnerPunkte programme in the QualityPartnership. The confirmations of premium payments needed for the Ministry of Finance can be obtained online through myUNIQA.at and the portal is also the right place to go with complaints and suggestions. As part of the myUNIQA portal, the customer also receives a regular e-newsletter with the latest information about products and campaigns. The only prerequisite for participating is a valid policy with UNIQA. The customer can call up all his password-protected information at any time comfortably from his home in real time, and decide how to make his arrangements. Already 40,000 customers are using this attractive and easy offer.

"In addition to consistent product innovation, flexibility and speed are decisive for survival and success in the market. UNIQA is one of the leading players in all of these points."

Issuing policies in record time

When the direct electronic transfer of applications from the Raiffeisen banks to Raiffeisen Versicherung was enabled in 2005, it clearly sped up the time it took to issue new insurance policies. In ideal situations the policy can be printed overnight and sent to the customer within a record 48 hours. This has considerably increased the level of service of the Raiffeisen banks as a sales partner.

UNIQA's customer information system enables optimal customer support and market communication

By implementing the UNIQA customer information system (U.KIS) back in 2006, the UNIQA Group took a decisive step towards optimally tapping into and managing customer potential. This online database keeps track of the customer relationship in its entirety – completely detached from the individual insurance segments. The second phase of this system already went into operation in the middle of 2007. Since then, a customer compass and a scheduling system have been added to the U.KIS and it now integrates online rate fixing for the most common insurance products. In 2008, the system was expanded to include the direct issuance of policies and analysis tools to support sales campaigns. In 2009, the focus will be on training the users and increasing user-friendliness.

The electronic access to the individual profiles of each policyholder offers the opportunity for service tailored to individual needs. In this manner, the system allows for improved service quality, thus encouraging customer loyalty. At the same time, by seeing the entire portfolio of each individual customer relationship all at once, UNIQA can quickly pass the advantages of more risk-appropriate and customised premiums on to its customers because all available customer information can be considered when determining the premiums.

In addition, the system highlights the potentials for cross-selling, enabling high-yield customers to be targeted directly. Particularly in times of crisis, UNIQA can then address them with even more attractive terms. Thus, U.KIS has proved to be a valuable instrument of sales and customer policies. It ensures the Group will have a decisive advantage in cultivating the market and that customers will receive service tailored to their needs.

Group & Profit

Sound Growth

Consistent internationalisation through expansion into the growth markets of Eastern and South Eastern Europe is a central element of the UNIQA Group strategy. The growth in premiums and profit achieved in this way as well as the broader spread of risk help secure the Group's market position and independence. Thanks to this strategy, the Group has weathered the consequences of the crisis on the financial markets relatively well.

UNIQA goes East

Despite the fact that UNIQA was forced to temporarily set aside its medium-term profit targets in the face of uncertainties stemming from of the financial market crisis, Austria's leading insurance group still views international expansion as key to its future. The primary target markets are the dynamically growing democracies in Central, Eastern and South Eastern Europe, which offer high potential due to their still relatively underdeveloped insurance density and penetration in all sectors.

In implementation of this strategy, the Group is investing considerable financial resources and management capacities in developing the markets in the Eastern and South Eastern regions of Europe. With this internationalisation of its business as well as Group profits, the Group aims not only to improve the spread of risk but also to establish the basis for sustained, yield-conscious growth and to secure its independence even in an environment that has recently become significantly more difficult.

Increasing contributions from international markets

The UNIQA Group has now established itself as one of the key market players in Central, Eastern and South Eastern Europe. Over seven million customers and nearly 15 million contracts, Group premiums of €5.8 billion and capital investments exceeding €21 billion offer impressive proof of this. The 19 markets outside of Austria from the Adriatic to the Baltic Sea, from Lake Constance to the Black Sea are now served by a total of roughly 19,000 employees.

The countries of Central Eastern Europe (CEE) as well as the Eastern Emerging Markets (EEM) make a growing contribution to these figures. At present, 22% of the total premium revenue of the UNIQA Group comes from these regions, while just five years ago this value was at 8%.

Including the activities of the Group focused on profitable insurance niches in Western Central Europe in the countries of Germany, Switzerland, Liechtenstein and Italy, the share of international premiums in 2008 totalled over 38%, a value that should be increased further in the future. The Austrian market remained a firm foundation for the Group with a rise in premium revenue by 2.3% to €3.6 billion and a share in Group premiums of 62%.

Dynamic growth in Eastern Europe

- Premiums in CEE and EEM once again exhibited above-average growth in 2008 of 56.7%, reaching €1.279 billion.
- The share in Group premium revenue increased to 22%
- Significant growth in property and casualty insurance
- Life insurance also demonstrated high growth rates
- 100% share obtained in the sixth-largest Romanian property insurer UNITA
- Including WEM, 38.2% of the Group's premiums originate from international business
- 2009: Entrance into the Russian market

Takeover of UNITA considerably strengthens the position in Romania

After the expansion steps of recent years in Albania, Macedonia, Kosovo and Serbia as well as the broadening of the financial engagement in Bulgaria and the Ukraine, the UNIQA Group once again decisively strengthened its position in Eastern Europe during 2008. In November 2008, the Group took over 100% of the shares in the sixth-largest Romanian property insurer UNITA. The contract for purchase of the shares was signed on 30 June 2008, and the closing took place on 3 November 2008 after obtaining of all regulatory approvals.

"Despite the financial market crisis, growth and strengthening of our earning power remain our central goals. Like other insurance companies, the crisis has affected us heavily, but we have been successful in largely minimising the consequences to date."

In a single stroke, this move brought UNIQA a property insurance market share of over 7% in one of the most important markets of Eastern Europe. Founded in 1990 and headquartered in Bucharest, UNITA achieved a premium volume in 2008 of approximately €142 million. The company's roughly 960 employees serve over 250,000 customers. Sales are made via a comprehensive network of 41 branch offices, over 500 in-house sales employees and more than 7,900 agents as well as roughly 295 brokers and leasing companies.

With around 22 million inhabitants, Romania is one of the three largest markets in the CEE region and one of the fastest-growing economies in the EU. By acquiring one of the largest insurance companies in the country, UNIQA has established an excellent starting position for participating in this dynamic environment.

The Romanian insurance industry has also experienced rapid growth in recent years, although it still harbours great potential as it closes the gap relative to Western Europe and even the other countries of Eastern Europe. For example, insurance penetration (premiums as a percentage of gross domestic product) was still 1.8% in 2008 compared with 9.0% for Western Europe, 5.8% for Austria and 2.7% for the entire region of Central and Eastern Europe.

In further expanding its business here, the Group will rely on close cooperation with the local Raiffeisen banks.

UNITA – Summary of the new shareholding in Romania

- Founded in 1990
- Sixth-largest property insurer in the country
- Market share in property insurance: 7.1%
- 2008 premium volume: €142 million
- 250,000 customers
- 41 branch offices
- Approx. 500 in-house sales employees
- More than 7,900 agents
- Roughly 295 brokers
- Successful start of the integration into the UNIQA Group

New headquarters for UNIQA Biztosító

The dynamic business development of the Group company in Hungary made it necessary to build a new headquarters in Budapest: A full 400 staff are employed for in-house sales, and the total number of sales staff already exceeds 1,000. One year after the laying of the foundation stone, it was possible in November 2008 to hold the topping-out ceremony for completion of the shell for the new building, which encompasses approx. 18,000 m².

The new main administrative centre, which is being erected next to the existing building of UNIQA Versicherung, should be ready for moving in by spring 2009 after only 18 months of construction. Roughly 60% of the building will be used by UNIQA Biztosító, and the remainder will be leased out. A public restaurant, a café and a preventive healthcare centre round out the infrastructure.

Founded in 1990, UNIQA Biztosító Zrt. is currently the sixth-largest insurance company on the Hungarian market. It serves more than 430,000 commercial and private customers via its comprehensive sales network. The company's premium revenue in 2008 amounted to €259 million.

The new headquarters of UNIQA Biztosító in Budapest should be completed in spring of 2009.

The successful internationalisation of the UNIQA Group is also being expressed in the advertising.

Numerous awards in 2008

- The Hungarian company UNIQA Biztosító was selected by an expert jury of the magazine Figyelö as the best financial service provider in the country.
- The Association of Independent Insurance Brokers in Hungary ranked UNIQA Biztosító in first place in the category of automotive insurance companies within its quality assurance ranking.
- UNIQA Biztosító was once again recognised as a "Superbrand" and for the first time also as a "Business Superbrand" in Hungary.
- As the leading insurance brand in Bosnia and Herzegovina, UNIQA Osiguranje also received the status of a Superbrand.
- UNIQA Osiguranje was also selected as the leading insurance company in the country in the survey on leading insurance companies and brokers in Eastern Europe performed by Global Broker & Underwriter.
- UNIQA won five awards in the Annual Financial Products Competition in Slovakia.
- UNIQA was recognised with the "Finance Medal" by the Polish business magazine Home & Market for the performance of its call centre in claims processing.
- Also in Poland, UNIQA won in the category of "Best Products for Companies 2008–2009" of the competition held by the finance magazine Gazeta Finansowa for its bundled product package directed specifically at SMEs. The most important criteria for this award were innovation and professionalism.

Germany: Mannheimer continues on its growth course

UNIQA Group has been present in Germany since 2004 with successful target group specialist Mannheimer Versicherungsgruppe, which garnered special attention in 2008 with a number of innovations. The spectrum ranges from a transparent tracking system that significantly reduces throughput times to an attractive, new target group programme in health insurance and new sales channels for occupational pensions. With a new online broker portal that supplies a Web code to over 800 independent brokers in Germany, Mannheimer is the first insurance company in Germany to offer its sales partners such practically-oriented support for the intensified statutory consulting and transparency requirements.

Liechtenstein: Private Insuring Competence Center

The foreign subsidiary UNIQA Lebensversicherung AG, located in Vaduz, has established itself within the Group as a private insuring competence centre. The private insuring programme offers a unique upgrade for investments: The opportunity to bring a personal portfolio into a life insurance policy, whereby the bank and portfolio manager can continue to exercise their usual functions.

Joint venture in the United Arab Emirates

In the past year, UNIQA has expanded its activities eastward even beyond the borders of Europe. A new personal insurance company was founded in cooperation with the property insurer Al Buhaira National Insurance Co, located in the Emirate of Sharjah. The new company is located in Dubai and operates under the name "Takaful Al-Emarat", providing health and life insurance policies that satisfy Islamic law. UNIQA holds a 15% stake in the company, another 20% is held by Al Buhaira and 10% of the shares were subscribed by leading founding members. The remaining 55% was offered to the public in an IPO.

The Bulgarian world-class track and field athlete Ivet Lalova also helps to promote awareness of the successful UNIQA brand outside of Austria.

As one of the leading insurance companies in the region, Al Buhaira brings its market knowledge and local network to the table, while UNIQA supports the new insurer with its broad know-how in the areas of life and health insurance. High potential exists for Takaful Al-Emarat in the introduction of mandatory health insurance for all expatriates working in the Emirates – which accounts for roughly 80% of all workers – and the high growth in the life insurance sector. UNIQA also benefits by acquiring know-how in the structuring of "Islamic" products, which are also in demand in some markets of Eastern and South Eastern Europe.

Special rules apply to insurance policies under Islamic law, which forbids interest and betting. They are based on the idea of a community of insured that shares the risks and also takes part in the profit of the insurance company. For this reason, these insurance policies must be configured as a shared fund similar to a mutual cooperative insurance company.

International expansion supported by the EBRD

The internationalisation of the UNIQA Group is actively supported by the European Bank for Reconstruction and Development (EBRD). In November 2007, the EBRD expanded the cooperation it has maintained with UNIQA since 1998 by increasing the scope of the framework agreement from €70 million to €150 million. This provides new financial means for the acquisition of minority investments by the EBRD in existing UNIQA subsidiaries in Central and Eastern Europe up until the end of 2017.

Profit Improvement Programme

The UNIQA Group's Profit Improvement Programme 2007–2010 should bring about an increase in profits in the core insurance business (excluding the financial investments segment) of €200 million by the year 2010. Within the framework of comprehensive and specifically planned measures, the claim and cost ratios should continue to be noticeably reduced further, structures should be compressed, redundancies within the Group eliminated and certain tasks cost-effectively outsourced to international Group companies. UNIQA remains well on course in implementation of this programme. The proportional goals for the year 2007 were met, and the planned actions within the core business were also implemented in 2008.

Standard & Poor's confirms a solid financial structure

The continued financial strength of the UNIQA Group despite the capital market crisis was confirmed by the international rating agency Standard & Poor's (S&P) in December 2008 with an A rating with stable outlook. Key justifications for this rating were the significant competitive position and convincing sales capacities in Austria as well as the organic growth in Central and Eastern Europe that exceeds the market average. The accelerated internationalisation and the solid operational performance of the Group were also important factors.

S&P substantiates the stable outlook with the expectation of continued strong capital resources, increasing cost-efficiency and strong operational performance. The rapidly expanding business success of the Group outside of Austria also played an important role. S&P sees the greatest growth potential for UNIQA in continued intensification of its activities in the markets of Eastern and South Eastern Europe. Based on investments in the organic growth of the international companies, additional acquisitions and the Preferred Partnership with local Raiffeisenbank organisations, S&P also expects our above-average growth in the sales and profit contributions to continue into the future.

Staff & Partners

Competent, Flexible, Motivated

The staff and partners of the UNIQA Group are highly committed to satisfying the highest standards in sales and customer support. The foundation for this is laid through comprehensive initiatives in the areas of training, continuing education and motivation.

Employees as central asset

As a constantly growing, internationally active service provider, the UNIQA Group owes its success to the qualifications and motivation of its employees. Their extreme professionalism, flexibility and mobility have been essential in enabling the strong growth in recent years and positioning the Group as a leading player in Central and Eastern Europe. In full awareness of this fact, the UNIQA Group implements a wide range of measures in the area of human resources development. Likewise, supporting and informing all sales partners also represent a key focus.

Go Ahead – Focused promotion of mobility within the Group

Having the right employees at the right place and the right time is a central part of operational human resources management, particularly within an international Group. Established in 2003, the UNIQA Group's mobility programme Go Ahead has proven itself effective in accomplishing this goal. Continuously improved with new elements and more efficient organisation, this programme supports temporary assignments for Austrian employees at international Group companies as well as for international colleagues at locations in Austria and other countries.

The programme, which represents both a recognition of talent and an opportunity to advance one's career, is directed not only toward the exchange of information within the company and expanding of horizons but also toward active networking and the associated strengthening of a shared corporate culture. With consistently positive evaluations by the participants, Go Ahead can certainly be considered a great success. The popularity of Go Ahead is constantly increasing, as can be seen in the growing demand: While 88 employees started in the programme in 2007, the number of new participants in 2008 was 105. In total, Go Ahead has provided assignments to 318 employees from 15 countries.

The programme was made even more attractive in 2005, especially for employees with families, through creation of the Go Ahead Light module for short assignments abroad as well as the introduction of Go Ahead Light Mentoring (international know-how partnerships) in the year 2006. While the "normal" foreign assignment extends on average from 12 to 24 months, assignments as part of Go Ahead Light and Go Ahead Light Mentoring last only one to three months. Roughly 68% of all participants in Go Ahead have since chosen this abbreviated version with high success levels and excellent cost-efficiency.

Maximum efficiency in personnel development and management

In order to better coordinate the increasingly complex work processes within a constantly growing group, UNIQA consolidated its operational personnel management and personnel development into UNIQA Human Resources-Service GmbH (UHRS) already in 2007. This company represented an expansion in the range of service companies within the Group and is responsible for the development and implementation of all processes in the areas of recruiting, education and personnel administration.

UHRS also ensures Group-wide use of modern tools for employee management and training. The employee meetings for in-house staff instituted in 2001 were also comprehensively continued in 2008. This instrument was implemented for salaried field sales staff last year for the second time and within the Broker Service for the first time with great success. The focus of the manager training for the salaried field sales staff in 2008 was placed on strengthening the function of the sales managers and their duties. The individual development plans introduced in 2007 for managers in new positions were continued in 2008.

Last year, the 2008 UNIQA European Football Championship was very well received among the employees. At the start of May, teams from many countries of the UNIQA Group played against each other at the Wiener Neudorf stadium. A total of 24 teams competed ambitiously but with fairness and comradery, and were followed excitedly by colleagues from all UNIQA countries. After three tournament days, the team from Tyrol won the title of UNIQA European Football Champions. The most successful international participants were Poland, Italy, Bulgaria and Slovakia.

Roughly 130 managers from the entire UNIQA family were familiarised with the current Group strategy and corporate planning in 2008 at two ManagerCircle events in Vienna and Montenegro. The picture shows the ManagerCircle in Budva, Montenegro.

Talent management

The focus of personnel development in 2008 was placed on talent management for the first time in pursuit of UNIQA's goal of filling a majority of the many management positions in the rapidly growing Group from within its own ranks. In order to lay the appropriate groundwork, talented Austrian and international employees are given the opportunity to prove their management potential in a Development Center. Based on the results of the qualified observation process, development plans are created for the identified talented individuals to ensure that the existing potential is transformed into real skills and capabilities over the short and medium term.

In Austria, 65 especially talented employees took part in a Development Center during 2008. Of these, 44 succeeded in convincing the observers of their exceptional management potential for the next higher management levels. In addition to further development of management talent, considerable value is also placed on promoting technical specialists. This satisfies the requirements for focused knowledge management in order to maintain qualified employees for UNIQA over the long term.

International apprenticeships

The apprenticeships for the youngest colleagues have also been "internationalised" at UNIQA. The two-year insurance apprenticeship at an Austrian regional office is combined with a five-month international internship at a UNIQA company. This is intended to promote a willingness for mobility while at the same time supporting the creation of a personal network within the Group. The pilot project between the Vienna regional office and UNIQA in Slovakia was very successfully completed by the participants in June 2008. In the year 2009, apprentices from the regional offices of Vienna and Upper Austria along with the partner companies in Hungary and the Czech Republic will take part in the international apprenticeship programme. In fall of 2008, the programme was expanded to include an apprenticeship in Exclusive Sales in order to offer the apprentices their first sales experiences in addition to specialised knowledge.

Exclusive Sales: Continuing on the path of success

Exclusive Sales traditionally holds a central position in supporting UNIQA's customers. In order to keep the level of information, professional know-how and motivation of sales managers and employees as well as of UNIQA General Agencies as high as possible, UNIQA offers its partners in this segment a broad range of information and training opportunities. In the interests of accomplishing the main strategic goals, the focus in the year 2008 was on the areas of "total customer", "sales expansion", "sales not administration", "fulfilling more standards" and "intensifying provision products".

The management and support staff in Exclusive Sales had access to a wide selection of seminars once again in 2008 within the framework of the Managers Development Forum. The offered trainings centred on targeted support for seminar participants, customised for their specific duties and with an intensive practical orientation. The application of corresponding controlling, management and marketing instruments formed an integrative focal point.

In 2008, more than 450 customer advisors in Exclusive Sales started their basic training, and the partial reorganisation of the training programme that took place in 2007 proved very effective. The training is now increasingly focused on the process of customer management, whereby the application of the life tree as a method of professional consulting analysis represented a central topic in the basic training programme.

More than 600 interested participants from Austria and CEE at the UNIQA 2008 General Agency Conference at the Linz DesignCenter.

Roughly 300 female consultants from Raiffeisen banks as well as high-ranking representatives of the Raiffeisen bank group, policymakers, business representatives and the media attended the event under the motto www = weiblich-wertvoll-womanlife (feminine-valuable-womanlife). Financial, legal and medical aspects as well as role expectations, career prospects and gender ratios were discussed in detail.

Fifth UNIQA General Agency Conference

High transparency and support in day-to-day sales work is a key goal of the UNIQA Group in the collaboration with its partners in broker sales. Accordingly, the fifth UNIQA General Agency Conference on 8 and 9 October 2008 at the Linz DesignCenter offered comprehensive information about the development, strategy and products of UNIQA.

Roughly 600 participants from Austria as well as some particularly interested representatives of General Agencies from Poland, the Czech Republic, Slovakia, Hungary, Croatia, Romania and Bulgaria took part in the information exchange regarding the developments of recent months and assessment of the future while also enjoying a first-hand look at important details of new products, advertising opportunities and much more. Twelve fair booths, workshops and a podium discussion offered a broad platform for this.

This very well received conference represents an important milestone in strengthening and expanding the UNIQA General Agency system. Even from an early point in time, UNIQA began relying successfully on this sales partnership, which has proven itself throughout Europe. Since 2005, the number of agencies in Austria has grown to 750 General and Partner Agencies, with the establishment of over 50 new locations. The General Agency system in Austria is therefore becoming increasingly important to the entire Group.

The new content orientation of the **General Agency Academy**, UNIQA's central training and continuing education institute for its independent sales partners, has proven itself very well. In addition to the basic training, in which new General and Partner Agencies learn about the most important solutions for managing risk and providing for the future within the framework of the total customer strategy, the General Agency Academy now also offers a wide range of seminar modules for in-depth treatment of specific topics. These topics range from Entrepreneurs & Management Strength to Product & Argumentation and from Sales & Professionals to Practices & Technology. The spectrum is rounded out by seminars specifically geared toward back office staff.

Broad range of information and training for brokers

UNIQA is also setting new standards of quality and innovation in its ambitious seminar programme on professional and personal development for brokers. The UNIQA Broker Service is not only the largest partner to Austrian brokers, it also frequently proves itself a pioneer in the development of industry standards. In 2008, UNIQA once again made numerous modifications that were all positively received by the brokers.

A central element in UNIQA's success with independent brokers is the **Broker Academy** (MAK) founded in 1997, which has already hosted events and seminars for over 2,000 participants. The most frequently booked seminars of recent years with topics ranging from business, finance and the stock market to personal fitness and mental training were sent by the Broker Academy to 4,000 brokers in the form of a "best of" programme. The resonance to this attractive offer was correspondingly high. Over 230 people visited one of the offered modules in 2008 alone. The international conference held within the framework of MAK International brought a total of 120 UNIQA business partners to the Russian metropolises of Moscow and St. Petersburg in May 2008 – two important future markets for the Austrian economy.

Effective sales platform for brokers

The Sales Platform for Brokers (VPM) was expanded with valuable functions in 2008 to more effectively support the daily work of the brokers. For instance, an online rate application simplifies constant access to the entire product portfolio of Broker Select,

Gottfried Wanitschek
Member of the Management Board

"The competence, flexibility and mobility of our employees and partners in their daily work are the primary prerequisites for us to realise our ambitious corporate goals."

the exclusive UNIQA product line for independent brokers. Offers can now be generated and insurance applications submitted literally at the press of a button. The compensation for business transactions performed electronically by the brokers was also redesigned – and increased. Additional improvements are the electronic transfer of commission notes as well as an expansion to the detailed data made available via VPM.

TopCard –
Attractive extras for brokers

- BrokerPLUS24Service: Arrangement for craftsmen to come immediately in the event of office damage as well as help with temporary personnel and rental equipment
- Attractive mobile telephone rates in cooperation with A1
- 10% discount at many APCOA garages
- "Make a wish!": Once per year, help in fulfilment of a wish (tickets for hot cultural and sporting events, difficult hotel bookings, etc.)
- Personal UNIQA VitalCoach

Cooperation programmes in bank sales remain very successful

The sales cooperation programmes of the UNIQA Group with banks continue to develop very advantageously for all partners. In the foreground here is the Preferred Partnership with the Raiffeisen bank group in Central and Eastern Europe, which is being continuously intensified. The cooperation with the Veneto Banca group in Italy is also yielding valuable, positive sales momentum, particularly in the area of life insurance. Raiffeisen Versicherung functions here as a competence centre for the entire area of bank sales within the UNIQA Group.

The cooperation with Raiffeisen extends to include 13 markets besides Austria. In addition to offering combined banking and insurance products, the focus lies on the staged introduction of capital-forming life insurance products in selected markets. The mutual utilisation of sales channels offers noticeable synergies to both UNIQA and Raiffeisen.

To improve the performance in bank sales still further, Raiffeisen Versicherung started an optimisation programme in 2008. This programme makes it possible to measure compliance with customer-oriented quality standards on the basis of key performance indices and is directed toward a reduction in response and processing times. In total, over 100 individual measures in a wide range of areas are being implemented here.

Consulting initiative on the topic of provisions for women

Womanlife, the innovative programme focused on provisions for women, was not only continued by Raiffeisen Versicherung in 2008 but received increased visibility as well. The financial securing of women, so often neglected in the past, is of particularly high importance today. The average pensions held by women are currently roughly 41% below those of men. In order to draw increased attention to the need for corresponding provisions, Raiffeisen Versicherung held a prominently attended matinee on 8 March 2008 at the Vienna Hofburg on the occasion of International Women's Day. At the same time, it represented the kick-off for an intensification of consulting activities for women at Raiffeisen banks.

Corporate Citizenship

UNIQA exercises social responsibility

In awareness of its extensive social responsibilities as an important employer and key player in all its markets, UNIQA always strives to contribute to causes and initiatives of public interest within the scope of its capabilities. With these actions, UNIQA embodies its corporate culture of showing farsightedness and broad perspectives. During the reporting period, the Group once again undertook numerous measures in the areas of environmental protection and sponsoring.

Environmental protection initiatives

UNIQA views its participation as a founding member of the Raiffeisen Climate Protection Initiative (RKI) begun in 2007 as a proactive answer to the environmental challenges of the future. The RKI champions a sustainable economic and social model that strives for a reasonable balance between an innovative, competitive market economy and responsibility toward people and the environment. Under the presidency of the former EU Commissioner of Agriculture, Franz Fischler, the initiative intends to contribute to emerging synergies in the area of energy efficiency and to sensitising large sections of the public with regard to climate protection. This goal is pursued through measures such as internal and external energy conservation days or student competitions as well as active climate protection by the participating companies themselves. Recent activities included participation in the third Raiffeisen Energy Conservation Day in February 2009 and support for the "Car Fasting" campaign, which calls for a reduction of automobile travel and rethinking of personal mobility behaviour during lent.

UNIQA published the UNIQA Climate Protection Manual in 2008 in order to increase the awareness of its employees regarding the goals of the Raiffeisen Climate Protection Initiative as well as to provide specific motivations to reduce environmental impact in their professional and private lives. In addition to general information about the environmental aspects of the construction and use of buildings, daily office operations and driving automobiles, this advice manual focuses on descriptions of UNIQA's climate-related activities as well as a list of climate-friendly insurance products. These topics are supplemented by extensive tips for reducing energy and resource consumption in the office and at home.

Since February 2008, the UNIQA Tower in Vienna can officially display the EU GreenBuilding certificate. The Austrian Energy Agency recognised the striking building in Vienna as an "energy-conscious new building". This makes the UNIQA Group's new headquarters opened in 2004 the first new office building in Austria and one of the first buildings in Europe to receive this certificate. Key factors for this recognition included the environmentally-friendly heating and cooling system, which avoids significant CO_2 emissions by using geothermal heating and cooling measures as well as district heating. The significantly higher energy efficiency compared with typical glass buildings also contributes to the environmentally-friendly operation of the building.

The favourable and therefore also environmentally-friendly cost/benefit ratio of the UNIQA Tower was recently confirmed by receipt of the Facility Award 2008 from the Academy for Technical Building Furnishings in June 2008.

UNIQA also evaluated the options for utilisation of energy-saving measures according to the principles of the Raiffeisen Climate Protection Initiative for the hotel project designed by Jean Nouvel and currently under construction on Praterstrasse in Vienna. After weighing of the costs and the financial and environmental benefits, numerous projects are now being realised, including energy pilings and heat pumps, systems for heat recovery from cooling, ventilation and climate-control systems as well as in the areas of wastewater, solar collectors for water heating, the use of well water for façade cooling and the installation of energy-saving lighting systems.

In recognition of its initiatives in the area of sustainability, UNIQA remains a member of the Austrian Sustainability Index VÖNIX. This index was started in 2005 and includes publicly listed companies that prove their commitment to sustainability as an economic success factor through verifiable consideration of environmental and social goals.

Energy conservation days are a central element of the Raiffeisen Climate Protection Initiative, in which UNIQA has been an active member since its inception.

The UNIQA Tower in Vienna received the EU "GreenBuilding" certificate as an "energy-conscious new building".

For years, a fixed element of UNIQA's sponsoring programme: the internationally renowned Salzburg Festival.

Numerous energy conservation measures are also being implemented in UNIQA's hotel project on Vienna's Praterstrasse designed by Jean Nouvel.

Sports sponsoring with broadly positive impact: Together with UNIQA, Benjamin Raich promotes the wearing of ski helmets.

UNIQA supports athletic activities even beyond the field of top-class sports and contributes in this way to the fitness and health of the population.

Cultural, sports and social sponsoring

UNIQA's strategy of strengthening its corporate identity and its standing as a European quality brand with Austrian roots through sponsoring was continued in 2008 with a number of initiatives.

In the area of culture, UNIQA was once again one of the main sponsors of the Salzburg Festival and the Grafenegg Music Festival. Considerable support was also given again to Austria's most significant operetta festival on the floating stage in Mörbisch as well as to the production of "Tosca" at the Volksoper Vienna. Additional sponsoring contributions went to exhibitions at Austrian museums, including the Kunsthistorisches Museum, the Albertina, the Austrian Gallery Belvedere and the MUMOK. The 2008 highlight of the UNIQA ArtCercle, a special programme for art-loving customers, was an exclusive evening in the Albertina within the framework of the exhibition: "Van Gogh. Heartfelt Lines". In addition to an exclusive introduction, participants were treated to a tour including a reading of letters from Van Gogh to his brother. The UNIQA Group also sponsors various regionally significant artists and art initiatives in its international markets.

In sports, UNIQA continued with great success the proven partnership with Olympic medallist and world champion skier Benjamin Raich. In parallel to this, the cooperation with Marlies Schild, who has already appeared in three advertising campaigns for UNIQA, was also expanded. Despite her accident-related departure at the start of the 2008/2009 season, she and Benjamin Raich represent the "Power Couple" of Austrian sports, making them the ideal symbols of the "new generation" for UNIQA. Together with Olympic medallist and world champion skier Benjamin Raich, UNIQA also promotes the wearing of ski helmets. UNIQA has already distributed more than 12,000 blue ski helmets to children and adults in Austria.

Cooperation with renowned athletes in the Eastern and South Eastern European markets, such as with the Slovakian slalom specialist Veronika Zuzulowa, the trainer of the Croatian national football team Slaven Bilić, the Montenegrin water polo player Alaksandar Ivović and the Bulgarian world-class track and field athlete Ivet Lalova, also contributed to improving awareness of the successful UNIQA brand outside of Austria.

In the social sphere, UNIQA has continued its practice from previous years of donating in conjunction with Raiffeisen Zentralbank a considerable sum to the Mobile Caritas Hospice as a contribution to the care and treatment of people suffering from severe and incurable illnesses within their familiar environments. As the largest health insurer in Austria, UNIQA once again supported the "Pink Ribbon" campaign to raise awareness of the dangers and prevention options of breast cancer. Like many other buildings and sights throughout the world, the UNIQA Tower was once again blanketed in pink light on 1 October, World Breast Cancer Day. Another initiative was undertaken last year in support of hospitals in preventive measures against legionella. 40 hospitals that are insured with UNIQA were investigated at no charge for the presence of this bacteria, which is the cause of Legionnaire's disease, an illness that kills roughly 10,000 people every year according to estimates of the WHO. The UNIQA Group also supports various charitable initiatives in its international markets. The generous support for a special institute for children in Komanski Most in cooperation with the Montenegrin pop singer Sergej Ćetković is one example from last year.

UNIQA Shares

UNIQA on the Capital Market

UNIQA shares performed relatively well in 2008 within a decidedly turbulent capital market environment. The interest of analysts and investors remained high.

International stock markets post high losses

At the start of 2008, stock markets around the world were already on a downward course. In addition to poor economic data from the USA and negative headlines for large international banks as a result of the subprime crisis, this downturn was founded in initial concerns regarding the possible consequences of the financial crisis on the real economy. The slight recovery in the 2nd quarter, which yielded a majority of the annual highs, also proved short-lived.

Up to mid-year, inflation concerns as well as rising raw materials prices dominated the market activities until the financial crisis intensified suddenly in the 3rd quarter with the collapse of the US investment bank Lehman Brothers. This was followed by a massive stock price decline that continued into the 4th quarter. Only toward the end of the year did falling fuel prices and a strengthening of the US dollar bring about a slight dampening under high volatility.

Expressed in numbers, the DOW JONES INDUSTRIAL AVERAGE lost 33.8% in value during 2008, and the NASDAQ COMPOSITE fell by 40.5%. In the Far East, the NIKKEI 225 exhibited a loss of 42.1%. The representative index for Europe, the DJ EURO STOXX 50, dropped by 44.3%, and the DAX also consolidated by 40.4%. The insurance values collected within the DJ EURO STOXX Insurance index declined by 47.1%.

Vienna Stock Exchange also falls considerably

The Vienna Stock exchange also suffered in 2008 in line with the international trend. After a weak start to the year, the leading index ATX (Austrian Traded Index) fell constantly under high volatility until mid-March. The subsequent upward trend yielded an annual high in mid-May of 4,532.10 points, but this was followed by a decline that was only briefly interrupted during the summer. The ATX hit its annual low of 1,516.09 points on 21 November and closed on 31 December 2008 at 1,750.83 points, 61.2% below the close of the previous year. Accordingly, the market capitalisation on the Vienna Stock Exchange also fell by roughly €105 billion compared with the previous year to a value of €53.1 billion.

UNIQA shares hold up relatively well

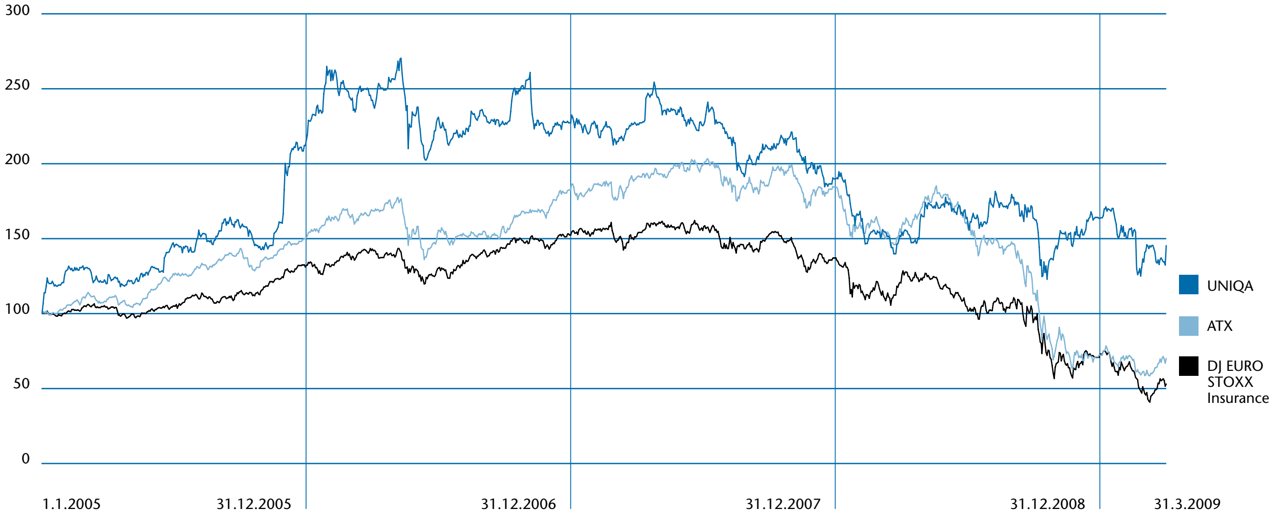
The UNIQA shares were not spared in this environment, but they were able to positively differentiate themselves from the general market development in the second half of the year. After starting the year at €21.00, the price fell in March down to €15.40 before recovering to a high of €20.00 on 7 August. The price drop that set in shortly after the financial crisis led to an annual low of €13.50 on 17 October, after which the UNIQA shares recovered again significantly. On 31 December 2008, the shares were listed at €18.06, finishing only 13.8% below the comparative value of 2007.

UNIQA share figures	2008 €	2007 €	2006 €	2005 €	2004 €
Share price as at 31 Dec.	18.06	20.95	25.09	23.40	10.60
High	21.46	28.10	29.86	23.65	11.00
Low	13.50	20.36	22.35	10.60	7.85
Average daily trading volume (€ million)	1.0	3.4	4.7	3.1	0.2
Market capitalisation as at 31 Dec. (€ million)	2,378	2,509	3,005	2,803	1,270
Earnings per share	0.44	2.07	1.27	0.94	0.74
Dividend per share	0.40[1)]	0.50	0.35	0.26	0.22

[1)] Proposal to the Annual General Meeting.

Development of UNIQA shares

in %



UNIQA share information	
Securities abbreviation	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Prime Market of the Vienna Stock Exchange
Trade segment	Official trading
Indices	ATXPrime, WBI, VÖNIX
Number of shares	131,673,000
Standard & Poor's rating	A, stable outlook

High interest on the part of analysts

UNIQA's comprehensive communications with analysts and investors through all information channels led to increased visibility within the financial community. Once again in 2008, UNIQA was present at various roadshows and investor conferences and held numerous meetings with investors. Several international investment banks and analyst teams continue to monitor UNIQA regularly and publish analyses of the Group. Their recommendations can be found at any time on the UNIQA website.

Investment experts and analysts of the following companies are currently covering UNIQA shares:

- CA Cheuvreux
- Erste Bank
- Morgan Stanley
- Société Générale
- UniCredit

Capital increase to finance the takeover of UNITA

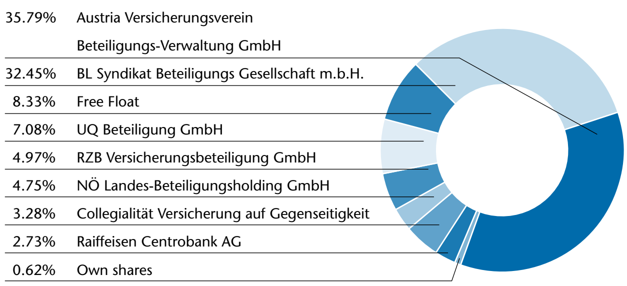
To compensate for the effect on equity from the takeover of the Romanian company UNITA, a capital increase amounting to roughly 10% was performed by UNIQA Versicherungen AG in November 2008. By partially utilising the authorised capital approved at the Annual General Meeting, 11,895,192 new, no-par bearer unit shares with voting rights were issued, thereby raising the share capital to €131,673,000. The price per share was set at €15.50, the revenue from the capital increase therefore amounted to roughly €184 million.

Shareholder structure slightly changed

The shareholder structure of the UNIQA Group changed slightly as a result of the capital increase. Austria Versicherungsverein Beteiligungs-Verwaltung GmbH now holds 35.79%, BL Syndikat Beteiligungs Gesellschaft m.b.H. holds 32.45%, UQ Beteiligung GmbH holds 7.08%, NÖ Landes-Beteiligungsholding GmbH holds 4.75%, Collegialität Versicherung auf Gegenseitigkeit holds 3.28%, RZB Versicherungsbeteiligung GmbH holds 4.97% and Raiffeisen Centrobank AG holds 2.73% of the share capital of the Group's parent company, UNIQA Versicherungen AG. Due to their voting commitment, the shares of Austria Versicherungsverein Beteilingungs-Verwaltung GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H., Collegialität Versicherung auf Gegenseitigkeit, Raiffeisen Centrobank AG and UQ Beteiligung GmbH are counted together.

The portfolio of own shares increased to 0.62% due to the repurchase of shares in 2008. The free float subsequently decreased to 8.33%.

Shareholder structure of UNIQA Versicherungen AG



Financial Calendar

25 May 2009	Annual General Meeting
29 May 2009	1st Quarter Report 2009, Conference Call
8 June 2009	Ex Dividend Day, Dividend Payment Day
28 August 2009	Half-Year Financial Report 2009, Conference Call
27 November 2009	1st to 3rd Quarter Report 2009, Conference Call

UNIQA remains in the sustainability index VÖNIX

UNIQA remains in the Prime Market of the Vienna Stock Exchange as well as the sustainability index VÖNIX, which currently contains 21 companies. This index was started in 2005 and includes publicly listed companies that prove their commitment to sustainability as an economic success factor through verifiable consideration of environmental and social goals.

Up to the end of 2007, the VÖNIX had developed significantly better than the overall market, thereby demonstrating that investors clearly respect the commitment to higher values. In the turbulent year of 2008, however, the VÖNIX could not escape the general downward development and largely followed the overall performance of the Vienna Stock Exchange. Since October, it has nevertheless risen slightly and therefore exhibited a decline compared with the previous year of only 56.6%.

Investor relations – Up to date information for the financial community

UNIQA keeps shareholders and the financial community as a whole continuously informed about the current company developments through utilisation of all modern communication channels. Annual and quarterly reports as well as ad-hoc statements are published in German and English and available in printed form, by e-mail and online via the website **www.uniqagroup.com**. In addition, UNIQA's investor relations team is always available for individual inquiries.

Corporate Governance Report

The UNIQA Group has committed itself since 2004 to compliance with the Austrian Code of Corporate Governance and publishes this voluntary declaration of commitment both in the Group Report and on the Group website www.uniqagroup.com → Investor Relations → Corporate Governance

Implementation and compliance with the individual rules of the code are regularly evaluated by Waldemar Jud Unternehmensforschung GmbH. Primarily on the basis of a questionnaire, this institution evaluates whether the company complies with the Austrian Code of Corporate Governance, as published by the Austrian "Working Group on Corporate Governance". The report on this voluntary evaluation can be viewed in the Corporate Governance area of the UNIQA Group website.

UNIQA declares its continued willingness to comply with the Austrian Code of Corporate Governance. In accordance with the code, the "L rules" (legal requirements) are all adhered to. However, UNIQA deviates from the provisions of the code in the version applicable for the reporting year with regard to the following "C rules" (comply or explain) and explains as follows:

Rule 38
A special age limit for members of the Management Board specified in the articles is not considered to be appropriate. The appointment to the Management Board depends exclusively on professional and personal qualifications.

Rule 45
Markus Mair is, in addition to his function as a member of the Supervisory Board of UNIQA Versicherungen AG, also on the Supervisory Board of Grazer Wechselseitige Versicherung Aktiengesellschaft and GRAWE-Vermögensverwaltung.

Rule 49
Due to the growth of UNIQA's shareholder structure and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with individual members of the Supervisory Boards of related companies. As long as such contracts require approval by the Supervisory Board according to Section 95 paragraph 5 sub-para 12 of the Austrian Stock Corporation Act (rule 48), the details of these contracts cannot be made public for reasons of company policy and competition laws. In any case, all transactions are handled under customary market conditions.

Rule 52 (irrelevant since 19 May 2008)
The Supervisory Board of UNIQA Versicherungen AG consisted of twelve shareholder representatives up to 19 May 2008. This higher number resulted from the growth of the company's shareholder structure. Since 19 May 2008, the Supervisory Board consists of ten shareholder representatives in compliance with the code.

A detailed report on the remuneration of the Management Board and the Supervisory Board (rules 29, 30 and 51) can be found in the Group notes on p. 98. A detailed list of the members that make up the Supervisory Board of UNIQA Versicherungen AG and the committees that have been set up, the independence of the individual members, their terms of office and any comparable positions held at other listed stock corporations in Austria and abroad (rules 39, 53 and 58) can also be found in the Group notes beginning on p. 65. The criteria for the independence of the Supervisory Board and committee members as well as the areas for which the individual committees are responsible can be downloaded from the Group website. A comprehensive risk report (rule 67) is included in the Group notes beginning on p. 67. A description of the announcements made about the directors' dealings (rule 70) can also be found in the Corporate Governance area of the Group website.

Financial Section

€5,825 million premium volume written

€90 million profit on ordinary activities

€53 million consolidated profit

€0.44 earnings per share

Group Management Report

Economic environment

The downturn that started in the USA has been intensified by the crisis on the international financial markets and now encompasses the entire global economy. In the USA and Japan as well as in the euro region, economic development slowed massively in 2008, and a recession is predicted for many countries in 2009. The economies of Central and Eastern Europe held up relatively well but are now also showing signs of a slowdown.

Dramatic collapse in economic activity

While the economy in the euro region still appeared quite dynamic at the start of 2008, the picture quickly clouded over. A decline in GDP began in the 2nd quarter and accelerated up to the end of the year. After the bankruptcy of the US investment bank Lehman Brothers in October, GDP only grew by just 0.6% in the 3rd quarter. In the 4th quarter, it even decreased by 1.3%.

One of the main factors for this decline was the diminished consumption behaviour of private consumers due to the financial market crisis, which in turn led to a decline in industrial production. Investments and exports also exhibited stagnating to declining tendencies. Only government expenditures and a build-up of stocks made a large contribution to economic performance. The rate of inflation, which had increased significantly up to mid-year due primarily to the very high oil price, has fallen sharply again since August. Overall in the euro region, the rate of inflation was 3.3% in 2008.

Insurance industry enjoys solid premium growth

The Austrian insurance industry exhibited premium growth in 2008 of 2.5% to reach €16.3 billion, thereby exceeding both the general economic dynamic as well as the growth rate of the previous year (2007: +1.8%). The strongest growth was seen in health insurance at plus 3.5% to over €1.5 billion, following on from a growth of 3.2% in the year 2007. Life insurance charted a strong upward course, gaining 2.2% to reach €7.4 billion after only growing 0.3% in the previous year.

The dynamic in the area of property and casualty insurance sagged somewhat with growth in premiums of only 2.6% to a total of €7.4 billion after a growth rate of 3.1% in 2007. This was due primarily to motor vehicle insurance, which saw a fall in volume of 2.0% (2007: –0.8%) alongside a continued decrease in average premiums. The remaining lines of property and casualty insurance also saw slower growth than the previous year at 3.2% (2007: +3.7%).

Massive turbulence on the financial markets

The continued difficult situation on the international financial markets hit a new low in September 2008. Poor economic data from the USA and problems at international banks caused by the subprime crisis had already produced serious fears that the financial crisis would spread to the real economy. The collapse of Lehman Brothers intensified the situation abruptly. This not only led to a worldwide crisis of confidence and massive price drops but above all to a shortage of external credit financing with associated cost increases. Numerous – even renowned – banks all over the world fell under pressure due to the lack of sufficient refinancing options.

After the government in the USA passed an economic package of USD 700 billion for stabilisation of the financial market and restoration of trust, the EU also passed joint measures for strengthening of the European financial sector in October. Similar packages were passed at national level. For instance, the Austrian federal government passed a corresponding programme amounting to €100 billion.

Falling key and money market interest rates

Considerable rate decreases as part of these economic measures to combat the financial market crisis led to a significant lowering of the interest level worldwide. To secure refinancing of the banks, the USA, Switzerland and Japan lowered their key rates to practically zero. The European Central Bank also lowered its main refinancing rate at the start of December 2008 by 75 basis points to 2.5%; this was followed in January, March and April of 2009 by further reductions of a total of 125 basis points to 1.25%. In view of receding inflation, additional interest rate decreases are expected in the future. The spread between the key and market interest rates also decreased further toward the end of the year and stood at only 39 basis points at the end of December 2008 for the three-month EURIBOR. The one-month rate was even below the key rate in January 2009.

Bond yields in the euro zone have recently fallen significantly, and they reached a record low in the USA due to the lowering of interest rates by the Fed. The rallying of the bond markets on which this was based can be attributed to the expectation of further rate decreases, the poor general economic data and the general risk aversion of investors, who relied more heavily on “safe” papers.

The euro lost about 4.2% against the US dollar compared with the previous year, but exhibited high volatility over the course of the year. A steep increase in the 1st quarter was followed in the 2nd quarter by a period of continued strength; as of September, however, the euro fell considerably against the US dollar until it rose again strongly in December.

Very cautious forecasts for 2009

According to current predictions by economic analysts, economic developments will be extremely weak during the first half of 2009 in particular. In the USA, the state economic aid packages may only partially compensate for low consumer demand, and only a moderate recovery is expected here for the second half of the year. A significant downturn is also predicted for the first half of the year in the euro zone, Japan and Switzerland.

For 2009 overall, economic analysts currently expect the economy in the euro region to shrink by around 2.8%. Austria will remain slightly above this level at about –2.2%, according to current forecasts. The economies of Eastern and South Eastern Europe will develop at above-average rates, if less dynamically than in previous years.

A slight slowdown in growth to +1.5% is predicted for the Austrian insurance industry. The general picture may change very little with the expected growth of 1.8% in property and casualty, 3.1% in health and 0.8% in life insurance. According to current expectations, motor vehicle insurance will remain in decline (–1.7%).

Financial markets remain subdued

In view of the general uncertainties, the further development of the international financial markets is difficult to predict. From the current perspective, a continuation of the high demand for bonds can generally be expected. The stock markets, on the other hand, are suffering under the prevailing uncertainty and the unappealing economic outlook. However, it remains to be seen whether the state economic stimulus packages will take effect at least in Asia and Europe and allow a continuation of the slight recovery seen toward the end of 2008. In the USA, on the other hand, no appreciable positive market impulses are expected at least over the short term either based on economic data or pronouncements by companies.

The UNIQA Group

With €5,825 million in premiums written, including the savings portion of unit- and index-linked life insurance, UNIQA is one of the leading insurance groups in Central and Eastern Europe. The savings portion of premiums from unit- and index-linked life insurance amounting to €823 million is, in accordance with FAS 97 (US-GAAP), balanced out by the changes in the actuarial provision. Premium volume excluding the savings portion from the unit- and index-linked life insurance amounts to €5,002 million.

UNIQA in Europe

The UNIQA Group offers its products and services through all distribution channels (salaried sales force, general agencies, brokers, banks and direct sales). UNIQA is active in all types of insurance and operates its direct insurance business in Austria through UNIQA Personenversicherung AG, UNIQA Sachversicherung AG, Raiffeisen Versicherung AG, FINANCE LIFE Lebensversicherung AG, Salzburger Landes-Versicherung AG and CALL DIRECT Versicherung AG.

The listed Group holding company, UNIQA Versicherungen AG, is responsible for Group management, operates the indirect insurance business and is the central reinsurer for the Group's Austrian operational companies. In addition, it carries out numerous service functions for the Austrian and international insurance subsidiaries in order to take best advantage of synergy effects within all the Group companies and to consistently implement the Group's long-term corporate strategy. UNIQA Re AG has its headquarters in Zurich and is responsible for reinsuring the Group's international operational companies. In order to achieve maximum synergy effects, the international activities of the UNIQA Group are managed centrally through Competence Centers as well as the Group's Central Services, and UNIQA International Versicherungs-Holding GmbH is responsible for ongoing monitoring and analysis of the international target markets for acquisitions as well as for integration of acquisitions into the Group.

Takeover of the Romanian UNITA

At the start of November 2008, the UNIQA Group took over 100% of the share capital of the Romanian property insurer UNITA – one of the largest insurance companies in Romania with a market share of roughly 7%. With this acquisition, UNIQA has taken another important step in its expansion into Eastern Europe since Romania with its roughly 22 million residents is currently one of the largest and fastest-growing markets of the CEE region. Special focus will naturally be given in the future to close cooperation with the local Raiffeisen bank within the framework of the cooperation throughout the entire geographic region.

Companies included in the IFRS consolidated financial statements

Along with UNIQA Versicherungen AG, the 2008 consolidated financial statements of the UNIQA Group include 38 domestic and 77 foreign companies. A total of 38 affiliated companies whose influence on an accurate presentation of the actual financial status of the assets, financial position and profitability was insignificant were not included in the consolidated financial statements. In addition, 15 domestic and two foreign companies were included as associates according to the equity accounting method. Ten associates were of minor importance, and their shares are recognised at market value.

SIGAL Holding sH.A. in Albania was valued "at equity" for the first time in the 1st quarter of 2008. As of 31 March, the scope of consolidation was expanded to include the Ukrainian company Credo-Classic. The results of this company were fully consolidated as of the 2nd quarter. In the 4th quarter of 2008, the scope of consolidation was expanded to include UNITA Vienna Insurance Group S.A., AGRAS Vienna Insurance Group S.A. and UNIQA Asigurari de Viata S.A. in Romania as well as UNIQA Health Insurance AD in Bulgaria.

Details on the consolidated and associated companies are contained in the corresponding overview in the Group notes. The accounting and valuation methods used as well as the changes in the scope of consolidation are also explained in the Group notes.

Risk report

The comprehensive risk report of the UNIQA Group is in the 2008 Group notes (cf. Group notes, p. 67 ff.).

UNIQA Group business development

The following comments on the business development are divided into two sections. The section "Group business development" describes the business performance from the perspective of the Group with fully consolidated amounts. Fully consolidated amounts are also used in the Group management report for reporting on the development of the business segments of "property and casualty insurance", "health insurance" and "life insurance".

Group business development

The UNIQA Group provides life and health insurance and is active in almost all lines of property and casualty insurance. With almost 15 million insurance policies under management at home and abroad, a gross premium volume written (including the savings portion of the unit- and index-linked life insurance) of €5.8 billion (2007: €5.3 billion) and capital investments of more than €21.3 billion (2007: €21.5 billion), the UNIQA Group is one of the leading insurance groups in Central and Eastern Europe.

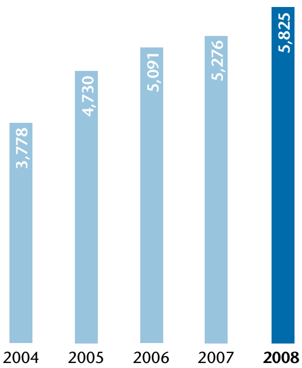
Premium development

Taking the savings portion of the unit- and index-linked life insurance in the amount of €823 million (2007: €748 million) into account, the total premium volume of the UNIQA Group grew in 2008 by 10.4% to €5,825 million (2007: €5,276 million). The total consolidated premiums written in 2008 grew by 10.5% to €5,002 million (2007: €4,528 million). Both the area of recurring premium insurance with a growth of 6.7% to €4,912 million (2007: €4,602 million) as well as the single premium business with a growth of 35.7% to €913 million (2007: €673 million) developed very satisfactorily in 2008. The Group premiums earned including the savings portion of the unit- and index-linked life insurance (after reinsurance) in the amount of €774 million (2007: €695 million) rose by 14.6% to €5,504 million (2007: €4,801 million). The retained premiums earned (according to IFRS) increased by 15.2% to €4,730 million (2007: €4,106 million).

Premium volume written

incl. the savings portion of premiums from unit- and index-linked life insurance

in € million



In the 2008 financial year, 41.2% (2007: 41.7%) of the premium volume arose in property and casualty insurance, 16.3% (2007: 17.2%) in health insurance and 42.5% (2007: 41.1%) in life insurance.

In Austria, the premium volume written including the savings portion of unit- and index-linked life insurance increased in 2008 by 2.3% to €3,599 million (2007: €3,517 million). Including the savings portion of unit- and index-linked life insurance, the premiums earned rose by 6.4% to €3,457 million (2007: €3,249 million). The retained premiums earned (according to IFRS) in Austria amounted to €2,971 million in 2008 (2007: €2,885 million).

In the regions of Eastern and South Eastern Europe (CEE & EEM), the premiums grew significantly faster in 2008. The premium volume written including the savings portion of unit- and index-linked life insurance increased in 2008 by 56.7% to €1,279 million (2007: €816 million). This put the share of Group premiums coming from CEE & EEM at 22.0% (2007: 15.5%). Including the savings portion of the unit- and index-linked life insurance, the premiums earned rose by 56.4% to €1,188 million (2007: €760 million). The retained premiums earned (according to IFRS) grew by 71.1% to €1,073 million (2007: €627 million).

In the Western European countries (WEM) the premium volume written rose only slightly in 2008 by 0.5% to €947 million (2007: €942 million). On the other hand, recurring premiums developed positively and grew by 1.8% to €700 million (2007: €688 million). Overall, the share in Group premiums therefore fell somewhat in 2008 to 16.3% (2007: 17.9%). Including the savings portion of the unit- and index-linked life insurance, the premiums earned increased by 8.4% to €860 million (2007: €793 million). The retained premiums earned (according to IFRS) rose by 15.5% to €686 million (2007: €594 million).

Developments in insurance benefits

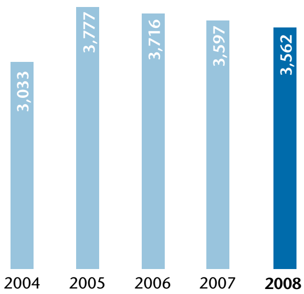
The insurance benefits paid by the UNIQA Group (before reinsurance) decreased again in the 2008 financial year by 4.8% to €3,704 million (2007: €3,892 million). The consolidated retained insurance benefits also declined last year by 1.0% to €3,562 million (2007: €3,597 million).

While the insurance benefits paid in 2008 in Austria decreased by 16.5% to €2,287 million (2007: €2,739 million), they increased in the Western European markets by 7.0% to €528 million (2007: €493 million). In the Central and Eastern European regions (CEE & EEM) as well, the insurance benefits increased due to the rapid premium growth by 104.6% to €746 million (2007: €365 million).

Insurance benefits

retention

in € million



Operating expenses

Total consolidated operating expenses (cf. Group notes, No. 37) less reinsurance commissions and profit shares from reinsurance business ceded (cf. Group notes, No. 33) increased in financial year 2008 by 17.2% to €1,237 million (2007: €1,056 million). Acquisition expenses before the change in deferred acquisition costs rose by 6.7% to €866 million (2007: €812 million). Taking into account the change in deferred acquisition costs, which represented an additional expense of €22 million in 2008 compared to the previous year, the acquisition expenses grew by 9.6% to €870 million (2007: €794 million). Other operating expenses, excluding reinsurance commissions received, increased to €368 million (2007: €262 million) since the reinsurance commissions received were lower by €52 million due to the change in the reinsurance structure in 2008 and the associated higher retention ratios.

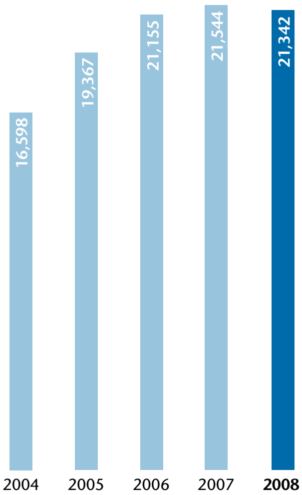
The cost ratio of the UNIQA Group after reinsurance, i.e. the relation of total operating expenses to the Group premiums earned, including the savings portion of the unit- and index-linked life insurance, was 22.5% during the past year (2007: 22.0%) due to the developments described above. Adjusted for the change in deferred acquisition costs, the cost ratio in 2008 remained unchanged at 22.4% (2007: 22.4%). The cost ratio before reinsurance amounted to 21.7% (2007: 21.5%).

Investment results

Total investments including land and buildings used by the Group, real estate held as investments, shares in associates and investments of unit- and index-linked life insurance decreased slightly in 2008 by 0.9% to €21,342 million (2007: €21,544 million).

Investments

in € million



Net income from investments less financing costs sank by 80.2% to €189 million (2007: €955 million) as a result of the global financial crisis. However, the investment results of the year 2007 had been positively influenced by the exceptional amount of €177 million from the two capital increases of STRABAG SE.

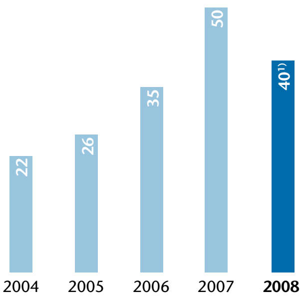
A detailed description of the investment income can be found in the Group notes (cf. Group notes, No. 34).

Group pre-tax results at €90 million

In the 2008 financial year, the profit on ordinary activities of the UNIQA Group fell by 73.5% primarily due to the heavily declining revenues from investments to reach €90 million (2007: €340 million). Adjusted for the special effect from the stake in STRABAG SE in the year 2007, the pre-tax results only exhibit a decline of 44.9% from €163 million to €90 million. Despite this development, the Management Board will recommend to the Supervisory Board and the Annual General Meeting the payout of a dividend of 40 cents per share.

Dividend

in cent



[1] Proposal to the Annual General Meeting.

Own funds and total assets

Despite the effects of the financial crisis, the UNIQA Group's total equity declined only slightly in 2008 by €73 million to €1,459 million (31 Dec. 2007: €1,532 million). This included shares in other companies amounting to €194 million (31 Dec. 2007: €196 million). The pre-tax return on equity – the ratio of profit on ordinary activities to average total equity (without taking into consideration the included net profit for 2008) – amounted to 6.1% in the past financial year (2007: 26.2%). The total assets of the Group increased slightly in the past financial year by €41 million and totalled €25,630 million on 31 December 2008 (31 Dec. 2007: €25,589 million).

Cash flow

The cash flow from operating activities in 2008 was €267 million (2007: €846 million). Cash flow from investing activities of the UNIQA Group amounted to €–484 million (2007: €–510 million). Due to the capital increase performed in 2008, the financing cash flow stood at €125 million (2007: €51 million). A total of €60 million were spent on the dividends from the 2007 financial year. The amount of liquid funds changed in total by €–79 million (2007: €384 million). At the end of 2008, funds amounting to €568 million (2007: €647 million) were available.

Employees

The average number of employees in the UNIQA Group increased in 2008 through inclusion for the first time of the companies in Romania, the Ukraine and Serbia, bringing the total to 13,674 (2007: 10,997). Of these, 6,269 (2007: 4,273) were employed in sales and 7,405 (2007: 6,724) in administration. In the Eastern Emerging Markets (EEM), UNIQA employed a staff of 3,718 in 2008 (2007: 864), 2,954 people (2007: 2,987) in Central Eastern Europe (CEE) and 986 (2007: 982) in the Western European markets (WEM). In Austria, 6,016 staff were employed (2007: 6,164). Including the employees of the general agencies working exclusively for UNIQA, the total staff of the UNIQA Group amounts to over 19,000 (2007: 15,800) people.

51% of the administrative staff employed in Austria in 2008 were women, 18.5% (2007: 18.2%) of the employees were part-time. The average age in the past year remained 42 years (2007: 42 years). In total, 11.3% (2007: 10.5%) of the employees participated as managers in UNIQA's result-oriented remuneration system – a variable payment system that is tied both to the success of the company and to personal performance. In addition, the UNIQA apprentice exchange programme offers young people in training the opportunity to get to know foreign cultures and make international contacts.

Business lines

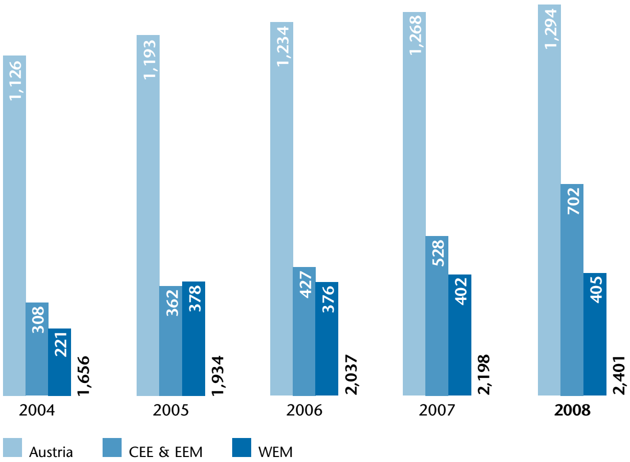
Property and casualty insurance

Premium development

In property and casualty insurance, the UNIQA Group was able to continue the extremely positive developments of the previous year again in 2008, increasing the premiums written by 9.3% to €2,401 million (2007: €2,198 million). Despite the continued intense competition, the premium volume in Austria rose by 2.1% to €1,294 million (2007: €1,268 million). In the Central and Eastern European regions (CEE & EEM), the considerably more rapid growth also continued in 2008. The premiums written grew by 33.1% to €702 million (2007: €528 million), thereby contributing 29.2% (2007: 24.0%) to the Group premiums in property and casualty insurance. In the Western European markets, however, only moderate growth was experienced in 2008. Here, the premiums written increased slightly by 0.8% to €405 million (2007: €402 million). Overall, the international share of Group premiums in this segment amounted to 46.1% (2007: 42.3%).

Premium volume written in property and casualty insurance

in € million



Details on the premium volume written in the most important risk classes can be found in the Group notes (cf. Group notes No. 31).

The retained premiums earned (according to IFRS) in casualty and property insurance totalled €2,214 million at the end of the year (2007: €1,858 million) – representing a major increase of 19.1%.

Property and casualty insurance segment	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million
Premiums written	2,401	2,198	2,037	1,934	1,656
Share CEE & EEM	29.2%	24.0%	21.0%	18.7%	18.6%
Share WEM	16.9%	18.3%	18.5%	19.6%	13.4%
International share	46.1%	42.3%	39.4%	38.3%	32.0%
Premiums earned (net)	2,214	1,858	1,716	1,628	1,394
Net investment income	42	258	141	131	89
Insurance benefits	–1,412	–1,251	–1,130	–1,106	–908
Net loss ratio (after reinsurance)	63.8%	67.3%	65.9%	68.0%	65.1%
Gross loss ratio (before reinsurance)	62.2%	67.9%	64.1%	66.4%	63.6%
Operating expenses less reinsurance commissions	–740	–606	–569	–553	–479
Cost ratio (after reinsurance)	33.4%	32.6%	33.2%	34.0%	34.4%
Net combined ratio (after reinsurance)	97.2%	99.9%	99.0%	101.9%	99.5%
Gross combined ratio (before reinsurance)	94.2%	98.7%	95.4%	98.2%	95.8%
Profit on ordinary activities	113	238	129	81	59
Net profit	104	193	104	54	53

Developments in insurance benefits

The total retained insurance benefits rose in 2008 by 12.8% to €1,412 million (2007: €1,251 million), which represents a disproportionately high increase relative to the increase in premiums. Insurance benefits increased in Austria by 5.7% to €808 million (2007: €765 million) and in Western European countries (WEM) by 15.3% to €248 million (2007: €215 million). In the Central and Eastern European regions (CEE & EEM), the insurance benefits increased in line with the increased premium volume by 31.0% to €356 million (2007: €272 million).

As a result of this development, the net loss ratio (retained insurance benefits relative to premiums earned) fell by 3.5 percentage points to 63.8% (2007: 67.3%). At the end of 2008, the gross loss ratio (before reinsurance) was even lower at 62.2% (2007: 67.9%). In Austria, the net loss ratio for the past financial year fell to 65.3% (2007: 70.2%) and in Western Europe to 69.2% (2007: 73.1%), while in the CEE & EEM regions it remained stable at 57.7% (2007: 57.3%).

Operating expenses, combined ratio

Total operating expenses in property and casualty insurance less reinsurance commissions and profit shares from reinsurance business ceded rose by 22.2% to €740 million (2007: €606 million). In the process, acquisition costs rose by 11.5% to €497 million (2007: €445 million), which was a disproportionately low increase compared with the rise in premiums, while other operating expenses increased by 52.0% to €244 million (2007: €160 million) due to lower retained reinsurance commissions.

The cost ratio in property and casualty insurance therefore increased slightly in the past financial year to 33.4% (2007: 32.6%). The net combined ratio fell due to the excellent loss ratio and lay significantly below 100% in 2008 at 97.2% (2007: 99.9%). The combined ratio before reinsurance fell even further to reach 94.2% (2007: 98.7%).

Investment results

Net income from investments less financing costs decreased in the past financial year by 83.7% to €42 million (2007: €258 million). The capital investments in property and casualty insurance declined by 7.7% to €3,315 million (2007: €3,590 million).

Profit on ordinary activities, net profit

Profit on ordinary activities in property and casualty insurance fell in 2008 by 52.4% to €113 million (2007: €238 million). Net profit was also down by 45.9% to €104 million (2007: €193 million).

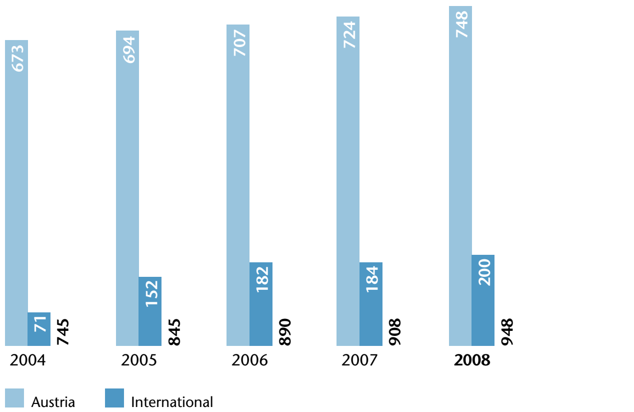
Health insurance

Premium development

In comparison to the previous year, premiums written in health insurance increased by 4.4% to €948 million (2007: €908 million). In Austria, where UNIQA is the market leader in health insurance, the premium volume in 2008 grew over the previous year by 3.3% to reach €748 million (2007: €724 million). In the WEM region, the premiums written increased by as much as 6.4% to €191 million (2007: €180 million). In the countries of Eastern and South Eastern Europe, private health insurance continued to play a subordinate role with a premium volume of €8 million (2007: €4 million). Overall, the international share in the total health insurance premiums in 2008 was 21.1% (2007: 20.3%).

Premium volume written in health insurance

in € million



In 2008, the retained premiums earned (according to IFRS) in health insurance totalled €946 million at the end of the year (2007: €906 million), amounting to an increase of 4.5%.

Health insurance segment	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million
Premiums written	948	908	890	845	745
International share	21.1%	20.3%	20.5%	17.9%	9.6%
Premiums earned (net)	946	906	887	849	742
Net investment income	14	134	114	101	81
Insurance benefits	–822	–811	–806	–773	–675
Acquisition expenses less reinsurance commissions	–134	–129	–137	–131	–119
Cost ratio (net after reinsurance)	14.2%	14.3%	15.4%	15.4%	16.1%
Profit on ordinary activities	3	96	54	41	24
Net profit	–1	72	35	35	20

Developments in insurance benefits

Despite the increased business volume, insurance benefits only rose slightly by 1.3% to €822 million (2007: €811 million). This also lowered the benefits ratio after reinsurance to 86.9% (2007: 89.6%). In Austria, insurance benefits even decreased by 1.1% to €641 million (2007: €649 million). In the international markets, the insurance benefits in 2008 increased by 11.1% to reach €181 million at the end of the year (2007: €163 million).

Operating expenses

Total operating expenses in health insurance less reinsurance commissions and profit shares from reinsurance business ceded rose in 2008 by 3.8% to €134 million (2007: €129 million), a disproportionately low increase compared with the premium volume. Despite the increased premium volume, acquisition expenses rose only slightly by 0.8% to €87 million (2007: €86 million). Other operating expenses increased by 10.0% to €47 million (2007: €43 million). As a result of this development, the cost ratio in health insurance decreased further in 2008 to 14.2% (2007: 14.3%).

Investment results

Net income from investments less financing costs fell by 89.7% to €14 million (2007: €134 million). In the health insurance segment, capital investments grew by 9.6% to €2,288 million (2007: €2,087 million).

Profit on ordinary activities, net profit

Profit on ordinary activities in health insurance fell in the reporting year due to the negative capital market environment by 96.4% to €3 million (2007: €96 million). Net profit declined in 2008 to €–1 million (2007: €72 million).

Life insurance

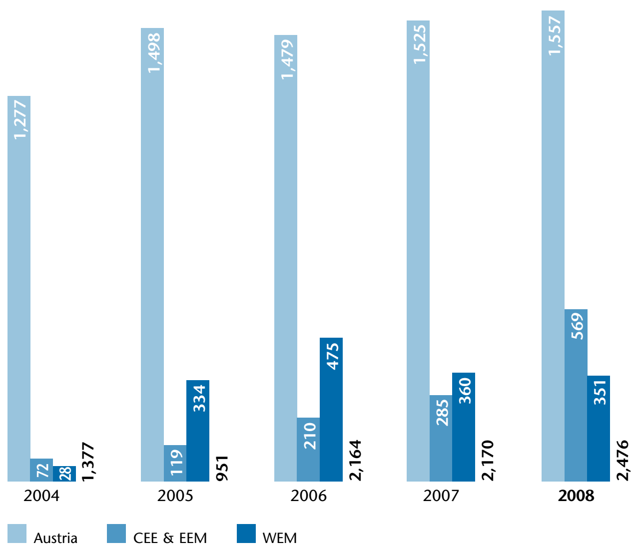
Premium development

The life insurance premium volume written, including the savings portion of unit- and index-linked life insurance, increased in 2008 by 14.1% to €2,476 million (2007: €2,170 million). Revenues from policies with recurring premium payments rose by 4.4% to €1,563 million (2007: €1,497 million). In the single premium business, premiums in the area of unit-linked life insurance decreased by 9.6% to €408 million (2007: €452 million), while classic single-premium policies climbed by 128.3% to €505 million (2007: €221 million). Overall, the single premium business grew by 35.7% to €913 million (2007: €673 million).

International premium volume written in life insurance

incl. the savings portion of premiums from unit- and index-linked life insurance

in € million



Although the premium development in Austria was still encumbered in 2008 by the loss of premium income from contracts with reduced payment terms, the premium volume still rose by 2.1% to €1,557 million (2007: €1,525 million) due to the continued growth in unit-linked life insurance products. Revenues from policies with recurring premium payments rose by 2.8% to €1,321 million (2007: €1,285 million). The single premium business remained roughly at the level of the previous year at €236 million (2007: €241 million). The Group companies in the Central and Eastern European regions (CEE & EEM) experienced growth in the life insurance segment that was many times stronger. The premium volume written including the savings portion of unit- and index-linked life insurance doubled to €569 million (2007: €285 million). The share of life insurance from these countries thus already amounted to 23.0% in 2008 (2007: 13.1%). In the Western European countries (WEM), on the other hand, the premium volume written declined slightly by 2.7% to €351 million (2007: €360 million). Overall, the Western European region (WEM) contributed 14.2% (2007: 16.6%) to the total life insurance premiums of the Group.

The risk premium share of unit- and index-linked life insurance included in the consolidated financial statements totalled €97 million in 2008 (2007: €86 million). The savings portion of the unit- and index-linked life insurance lines amounted to €823 million (2007: €748 million) and was, in accordance with FAS 97 (US-GAAP), balanced out by the changes in the actuarial provision.

Including the savings portion of the unit- and index-linked life insurance (after reinsurance) in the amount of €774 million (2007: €695 million), the premiums earned in life insurance rose by 15.1% to €2,344 million (2007: €2,037 million). The retained premiums earned (according to IFRS) increased in 2008 by 17.0% to €1,570 million (2007: €1,342 million).

Life insurance segment	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million
Premiums written	1,653	1,422	1,605	1,591	1,199
Savings portion of premiums from unit- and index-linked life insurance	823	748	559	360	178
Premiums written incl. savings portion of premiums from unit- and index-linked life insurance	2,476	2,170	2,164	1,951	1,377
Share CEE & EEM	23.0%	13.1%	9.7%	6.1%	5.2%
Share WEM	14.2%	16.6%	22.0%	17.1%	2.1%
International share	37.1%	29.7%	31.7%	23.2%	7.3%
Premiums earned (net)	1,570	1,342	1,527	1,523	1,166
Savings portion of premiums from unit- and index-linked life insurance (net after reinsurance)	774	695	499	311	129
Premiums earned (net) incl. the savings portion of premiums from unit- and index-linked life insurance	2,344	2,037	2,027	1,834	1,295
Net investment income	133	563	610	731	580
Insurance benefits	–1,328	–1,534	–1,780	–1,898	–1,451
Operating expenses less reinsurance commissions and change in deferred acquisition costs	–347	–328	–304	–284	–253
Cost ratio	14.8%	16.1%	15.0%	15.5%	19.6%
Other operating expenses less insurance commissions	–363	–321	–261	–244	–231
Cost ratio (net after reinsurance)	15.5%	15.7%	12.9%	13.3%	17.8%
Profit on ordinary activities	–27	5	56	69	39
Net profit	–37	4	37	44	29

Developments in insurance benefits

The retained insurance benefits decreased in the reporting period by 13.5% to €1,328 million (2007: €1,534 million). In Austria, insurance benefits also decreased by 36.8% to €838 million (2007: €1,326 million). In the Western European region (WEM), insurance benefits decreased by 11.4% to €105 million (2007: €118 million), while they rose in Central and Eastern Europe (CEE & EEM) by 325.2% to €385 million (2007: €91 million) due to the strong premium growth.

Operating expenses

Total operating expenses in life insurance less reinsurance commissions and profit shares from reinsurance business ceded rose in 2008 by 13.1% to €363 million (2007: €321 million). Acquisition expenses rose by 9.2% to €286 million (2007: €262 million). In line with the extremely positive development of new business, an increase in expenses due to the change in deferred acquisition costs was observed again in 2008 in the amount of €23 million. Because the reinsurance commissions received also declined to €6 million (2007: €11 million), among other factors, other operating expenses increased by 30.8% to €76 million (2007: €58 million). However, since the premium volume in life insurance developed even more rapidly, the cost ratio, i.e. the ratio of all claims incurred to the Group premiums earned, including the savings portion of unit- and index-linked life insurance, declined to 15.5% (2007: 15.7%). Adjusted for the change in deferred acquisition costs, the cost ratio even declined to 14.8% in 2008 (2007: 16.1%).

Investment results

The net income from investments less financing costs declined in the reporting year by 76.4% to €133 million (2007: €563 million) due to consequences of the financial crisis. The capital investments including the investments for unit- and index-linked life insurance shrank slightly in 2008 by 0.8% to €15,739 million (2007: €15,867 million).

Profit on ordinary activities, net profit

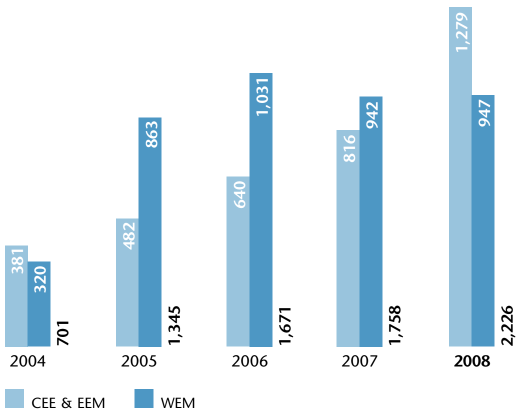
The profit on ordinary activities in life insurance was negative in 2008 due to the negative capital markets environment, and amounted to €–27 million (2007: €5 million). The net profit was also negative at €–37 million (2007: €4 million).

International markets

The international premium volume of the UNIQA Group (incl. the savings portion of unit- and index-linked life insurance) broke the €2 billion mark for the first time in 2008 and rose – driven primarily by the above-average growth in the companies in Eastern and South Eastern Europe – by 26.6% to €2,226 million (2007: €1,758 million). This brought the international share of Group premiums up to 38.2% (2007: 33.3%).

International premium volume written in life insurance

incl. the savings portion of premiums from unit- and index-linked life insurance
in € million



Including the savings portion of the unit- and index-linked life insurance (after reinsurance), the premiums earned increased by 31.9% to €2,048 million (2007: €1,552 million). The retained premiums earned (according to IFRS) increased by 44.0% to €1,759 million (2007: €1,221 million).

Central and Eastern Europe (CEE & EEM)

The countries of Eastern and South Eastern Europe achieved very high growth rates once again in 2008 and were able to increase their total premiums written by 56.7% to €1,279 million (2007: €816 million). The increase in 2008, which was far above the respective market growth rates, can be attributed above all to the continued dynamisation projects, which should increase organic growth in these regions still further in the future. In the Eastern Emerging Markets, the premium volume even doubled from €81 million to €164 million (+102.8%). Overall, this places the contribution to Group premiums by the CEE & EEM at 22.0% (2007: 15.5%).

Western Europe (WEM)

Only moderate growth was experienced in the past financial year in the mature markets of Western Europe. After a decline in 2007, the premium volume written increased slightly in 2008 by 0.5% to €947 million (2007: €942 million). The recurring premium business developed better and increased in the region by 1.8% to €700 million (2007: €688 million). Single premium business declined slightly by 2.8% to €247 million (2007: €254 million). In 2008, the WEM region contributed 16.3% (2007: 17.9%) to the Group premiums.

The premium volume written including the savings portion of the unit- and index-linked life insurance was divided as follows among the various regions of the UNIQA Group:

UNIQA international markets	Premiums written[1]					Share of Group premiums
	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million	2008
Central Eastern Europe (CEE)	1,115	735	595	482	381	19.1%
Eastern Emerging Markets (EEM)	164	81	45	0	0	2.8%
Western European Markets (WEM)	947	942	1,031	863	320	16.3%
Total international	**2,226**	**1,758**	**1,671**	**1,345**	**701**	**38.2%**

[1] Incl. the savings portion of premiums from unit- and index-linked life insurance.

Due to strong growth, the total insurance benefits of the international Group countries increased in 2008 by 48.5% to €1,274 million (2007: €858 million). Consolidated operating expenses less reinsurance commissions and profit shares from reinsurance business ceded rose in the past financial year by 23.8% to €519 million (2007: €419 million). In 2008, before consolidation based on the geographic segments (cf. segment reports), the profit on ordinary activities generated by the companies in the three regions outside of Austria increased to €86 million (2007: €53 million).

Significant events after the balance sheet date (subsequent report)

At the start of 2009, the UNIQA Group entered into the Russian insurance market with the founding of a life insurance company in Moscow. The registration of the company took place in January 2009, and the next step is to apply for a license for insurance operations. The company is expected to commence operations at the end of 2009. The focus of the company will lie in the area of life insurance and cooperation with Raiffeisenbank in Russia, within the framework of the Preferred Partnership.

Outlook for 2009

Development in the current financial year

Despite the worsening economic conditions, the premium volume of the UNIQA Group exhibited very satisfactory development in the first two months of 2009. The premium growth in property and casualty insurance was 4.5%, in health insurance 3.7% and in life insurance 0.8%. Overall, growth in the months of January and February was roughly 3.2%. While premiums in Austria increased by 1.5%, growth in the international markets was significantly stronger at 6.5%.

Property and casualty insurance

On the basis of numerous initiatives in product development, customer loyalty management and efficiency improvement, UNIQA expects very solid developments in the area of property and casualty insurance once again in 2009.

The growth of the legal expense insurance line proved very favourable in 2008. However, the financial crisis and its effects on the real economy will also have their consequences for this line. In various cases, mass losses in the area of asset investment have already been claimed. In order to avoid exposure to these difficult-to-assess risks, the UNIQA Group has already defined the majority as excluded risks. The growth goals for 2009 are also not being scaled back, meaning that continuous observation of the general situation in the claims area will be that much more important.

Unfortunately, no relief is in sight for the loss ratio in the storm risk segment. Countermeasures such as segmentation have already been introduced, and the course already begun in 2008 will continue to be consistently followed. UNIQA will also continue to expand the HORA (High Water Risk Zoning System Austria) system in coming years in cooperation with the Insurance Association of Austria and the Ministry of Agriculture, Forestry, Environment and Water Management. The goal of this system is to create and refine a risk map that makes it possible to better assess possible natural dangers. In the area of natural dangers as well as other risk areas such as burglary, UNIQA relies on various preventive measures to avoid losses. Examples include security checks as well as the severe weather warnings offered exclusively by UNIQA within the insurance industry.

In other areas, a subdued investment level is expected in property insurance, particularly among commercial customers. In order to continue to support the customers in this difficult phase, the strategy of complexity reduction and efficiency improvement – above all through offering of standardised customer-oriented products – will be sustained. Increased productivity in sales, efficiency gains and process streamlining have already been successfully introduced in the private customer business. In 2009, UNIQA will implement these key practices in the commercial area as well.

Further refinements in the private customer business will be seen in 2009 as well. For instance, new opportunities will be offered by scoring models in the new private customer product arriving on the market in 2009. The goal of these models is an individual and risk-appropriate premium definition, in which UNIQA will naturally continue to pursue the goal of climate protection in accordance with the course already set jointly with Raiffeisen. The features already present here in the current product will be carried over and further expanded.

The SuccessPartnership, a customer advantage programme with a selection of supplemental services for freelancers, farmers and small and medium-sized businesses, will be strongly promoted in the corporate customer segment. More than 7,000 new members are expected here for the year 2009. The goal of this service and customer loyalty instrument is to reduce cancellation rates by promoting customer loyalty and the claims-dependent SuccessBonus. Cross-selling will also be heavily expanded in the corporate customer business through additional training courses and centrally supported campaigns. In addition, a focus will be placed on innovative product design in connection with risk management measures. As an example, the risk management with respect to legionella for hospitals insured with UNIQA has been successfully completed in this area. Where this was necessary due to the results of investigations, it was possible to significantly reduce this risk through the implementation of preventive measures.

For its cableway customers, UNIQA has offered a free cableway weather information system (SEWIS) since autumn 2008. This allows every single cableway operator to access weather forecasts for their specific location. This reduces the risk potential for UNIQA as an insurer since exposed cableways can be shut down in time in the event of a storm or gale warning, for example. The advantage for the insured lies in improved use of resources through higher forecasting precision. The progressing internationalisation of the Group allows it to professionally support and serve its internationally active customers with know-how and custom-tailored product solutions in an increasing number of markets.

In motor vehicle insurance, a new coverage component will be introduced to the market for the first time in 2009 – driver protection. Previously, in the event of an accident, the driver at fault received nothing for his own personal injuries or to support surviving dependents. With this driver protection, UNIQA also offers these drivers benefits of up to €1 million for care and treatment costs, living expenses, lost salary and compensation for pain and suffering. Also new is the classification of the product range in liability and comprehensive insurance into three packages: "compact", "optimal" and "premium". The compact comprehensive package, in particular, offers all owners of medium to old used cars the opportunity to insure themselves against the consequences of natural damage, such as storms and hail, at a low price. In addition, they receive compensation in event of theft to secure their continued mobility.

In 2009, Raiffeisen Versicherung will place an additional focus on scoring for the Raiffeisen motor vehicle and property insurance policies offered to Raiffeisenbank customers. This emphasis pursues the goal of more individual and risk-appropriate premium definitions. A driver protection component was also presented in March as part of the introduction of a new motor vehicle insurance rate.

Health insurance

Once again in 2009, it was possible to extend direct billing agreements, which are important for the special class insurance, with all contract partners in Austria. The negotiations, which continued into February, were hard-fought on both sides and were characterised by high price adjustment demands by the hospitals and physicians as well as by the prevailing economic slowdown. In the end, however, reasonable compromises for all parties were reached with only relatively moderate premium consequences for the insured.

The successful issuance of roughly 540,000 new MedUNIQA cards to all special class insured was completed in January. The credit card sized card provides access to special class services but can also be used for the storage of diagnoses, if desired. Medical histories, laboratory diagnoses, X-ray and ultrasound images, etc. can be conveniently managed via the free Internet portal. When visiting the doctor, the insured is spared the hassle of locating the required documents. This not only simplifies the handling of documents between countries, but also prevents frequently expensive repeat examinations. Only the insured and a specifically authorised physician have access to the portal via a secure password.

The new MedUNIQA card also has much more to offer: With the UNIQA Medikamentenkompass, UNIQA special class customers receive the additional advantage of checking their medications for possible interactions on the Internet. Also free, the Spitalskompass offers information on the staff and technical capabilities as well as treatment performance of Austrian care facilities, including how often specific treatments are performed in various hospitals. It is also possible to request a reduced-price emergency card, on which emergency data such as blood group, immunisations, allergies and medications as well as the contact data of close relatives can be saved for retrieval in the ambulance.

The new Internet health portal of UNIQA is scheduled to go live in April. Over three million hits per year are already being received at www.medUNIQA.at. The completely renovated portal will continue to encompass the previous UNIQA VitalClub website. New, however, is the interactive design that also offers the ability to access individualised information.

Also planned for April is the start of an initiative in company health management specially conceived for UNIQA customers. The UNIQA VitalBilanz for companies and its modules (e.g. movement balance, nutrition balance, mental balance) represents a comprehensive service offering. This project is being implemented by UNIQA HealthService GmbH.

In Eastern Europe, UNIQA is starting an offensive in the still underdeveloped business of private health insurance. Corresponding projects have already begun in Hungary, the Czech Republic, Poland, Slovakia, Croatia and Bosnia and Herzegovina. Serbia will follow within the first half of 2009. In Germany, the first few months of the new year alone have shown that the wave of terminations and policy changes expected for the first half of the year from customers with full health insurance will not take place. UNIQA Group member Mannheimer Krankenversicherung has been very successful with its new product line PURISMA and is constantly signing up new customers. In Italy, the entire product portfolio of UNIQA Assicurazioni was renewed last year. The full effects of the change are now unfolding. According to the proven Austrian example, UNIQA offers exclusively lifelong coverage concepts here that cannot be terminated by the insurer, thereby strengthening its already outstanding market position on the Italian market achieved through the consistent quality policies implemented to date.

Life insurance

The UNIQA Group offers a comprehensive selection of classic and unit-linked life insurance products as well as private nursing care insurance.

In the area of unit- and index-linked life insurance in particular, UNIQA was able to not only maintain its market leadership in 2008 but also expanded on it further. Continued positive reception of the unit-linked life insurance in 2009 is expected in Austria as well as in Germany and Slovenia within the framework of the free movement of services. Development in the segment of single premium policies in the form of index-linked life insurance is also expected to be positive. While the products within the framework of the state-subsidised pension provisions are being left largely unchanged, UNIQA will upgrade the classic unit- and index-linked insurance products with new investment and combination options in the 2009 financial year.

One focus of the UNIQA sales and marketing activities in 2009 will continue to be the innovative product FlexSolution, which saw further development in 2008 and combines the advantages of classic and unit-linked life insurance within a single contract. The future provisions solution accompanies the customer throughout his or her life and can be flexibly adapted to changed life circumstances and customer needs, making it an optimal solution for actively reacting to life cycles or a specific stock market situation.

The financial crisis is only one of the reasons why the concept of "security" will gain in importance in 2009 and along with it classic, pure life insurance as one of the most secure forms of investment. The difference from other financial products lies in the special protection for the insured even in the event of the bankruptcy of the insurer, since the investment amounts are separately secured in the full amount of the insurer's obligations from such insurance contracts. In addition, annually allocated gains are guaranteed and can no longer be changed.

As a leader in matters of old-age pensions, UNIQA also places great value on the issue of nursing care insurance. Since the start of 2009, a new variant of nursing care pension insurance has been offered for the target group of people under 40. This new rate offers younger people an inexpensive starting premium that then rises annually up to age 65, after which it remains constant for the remainder of their life.

In 2009, Raiffeisen Versicherung is taking up security as a central life issue and is putting a focus on the financial foundation for security in the form of the Raiffeisen Security Check. This new consulting concept for holistic customer advice encompasses four areas of security (provisions, investments, mobility and living). The security fields of provisions and investments are covered by the offered life insurance products: occupational disability, provisions for surviving dependents, provisions for serious illnesses, nursing care, premium-discounted old-age pensions, pension provisions with lifelong and guaranteed pension payments and unit-linked life insurance.

At the start of 2009, the cooperation with Raiffeisen Versicherung and Raiffeisen Capital Management was also established in the area of premium-discounted old-age pensions. In place of the previous two variants in the form of "My Subsidised Life Pension" and the unit-linked solution "Raiffeisen Pension Fund Austria", customers of Raiffeisen banks now have access to a single insurance variant as a combined old-age pension product. The investment is handled 100% by Raiffeisen Capital Management, Austria's largest investment company.

As part of its annual autumn provision campaign, Raiffeisen Versicherung will offer a new variant of flexible life insurance in 2009. As with the UNIQA product FlexSolution, the customer determines how his premium is split between an investment with capital guarantee and a yield-oriented component. This weighting can be changed at any time at no charge. This choice regarding the amount of death benefits establishes nearly unlimited flexibility in investment, term definition and risk protection.

In Central and Eastern Europe, the UNIQA Group will further intensify its cooperation with the Raiffeisen banking group in 2009. The focus in the product area continues to lie on combined banking and insurance products as well as the successive introduction of capital-forming life insurance products. With the planned founding of a new life insurance company in Russia, the existing cooperation with Raiffeisen will be expanded to the Russian market, bringing the total number of countries involved in the cooperation from 13 to 14. Apart from Russia, the UNIQA Group is intensifying its sales work in customised life insurance products via the Raiffeisen banks in Serbia and, since February 2009, also in Bulgaria. A children's product as well as endowment and life insurance are offered. In Albania, after purchasing the SIGAL insurance company, UNIQA became the first insurer on the market to offer a children's product in addition to classic endowment and life insurance. Active selling of the product will begin in 2009 within the framework of a structured sales cooperation.

Outside of Europe, UNIQA founded in 2008 the life and health insurance company "Takaful Al-Emarat", with offices in Dubai, as a joint venture with the insurance company Al Buhaira. The company, which is currently still being built up, should offer as of 2009 health insurance and life insurance products according to Sharia rules, a product type that is also meeting with increased interest in Europe as well. Starting with Dubai and the United Arab Emirates, the business activities should be expanded in future to additional Gulf States and other Muslim countries.

Occasioned by the 3rd EU Money Laundering Directive, UNIQA has established the office of "International Money Laundering Prevention". The goal of this office is to position UNIQA as a leader in this field through development of prevention systems, realistic risk assessments of the market and of customer behaviour, training measures, the expansion of risk-based IT systems, increased controlling and a generally high standard of precautions. Special value is placed on cost-efficient standardisation of the prevention measures and reporting systems, intensive communication and international information exchange and cooperation.

Information according to Section 243a paragraph 1 of the Austrian Business Code

1. The share capital of UNIQA Versicherungen AG is €131,673,000 and comprises 131,673,000 individual no par value shares in the name of the bearer. The share capital has been paid in full. All shares have the same rights and obligations.
2. Due to their voting commitments, the shares of Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H., Collegialität Versicherung auf Gegenseitigkeit, Raiffeisen Centrobank AG and UQ Beteiligung GmbH are counted together. Reciprocal purchase option rights have been agreed upon between the first three shareholders listed.
3. Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH holds 35.79% of the share capital of UNIQA Versicherungen AG and BL Syndikat Beteiligungs Gesellschaft m.b.H. holds 32.45%.
4. No shares with special control rights have been issued.
5. No employee capital participation models exist.
6. No provisions of the articles or other provisions exist that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the articles with the exception of the rule that when a Supervisory Board member turns 70 years of age, he or she shall retire from the Supervisory Board at the end of the next Annual General Meeting.
7. According to the decision of the General Meeting of 23 May 2005, the Management Board is authorised to increase the share capital by a total of €50 million up to 30 June 2010, inclusive, with the approval of the Supervisory Board. On 29 October and 14 November 2008, the Management Board resolved, with approval of the Supervisory Board, to increase the share capital of the company through the issue of 11,895,192 new, no-par bearer unit shares with voting rights under retention of the statutory subscription rights of the shareholders. Furthermore, the Management Board passed a resolution on 19 May 2008 that UNIQA will repurchase its own shares. The Supervisory Board of the company confirmed the decision of the Management Board in its meeting on 19 May 2008. In this connection, the ongoing programme for resale of shares was brought to a close. The programme for repurchasing shares entered into effect on 22 May 2008. In the reporting year, 469,650 own shares were purchased via the stock exchange. As at 31 December 2008, the company held 819,650 own shares.
8. With regard to the associated company STRABAG SE, corresponding agreements with other shareholders of this company exist.
9. No reimbursement agreements exist for the event of a public takeover offer.

Proposed appropriation of profit

The individual accounts of UNIQA Versicherungen AG, prepared in accordance with the Austrian Business Code, report an annual net profit for the 2008 financial year of €53,190,348.20 (2007: €60,036,789.70). The Management Board shall thus recommend to the Annual General Meeting on 25 May 2009, that the annual net profit be distributed as a dividend of 40 cents on each of the 131,673,000 individual share certificates issued at the balance sheet date and entitled to receive a dividend, and that the remaining amount be carried forward to a new account.

Vienna, 15 April 2009

Konstantin Klien Chairman of the Management Board	**Hannes Bogner** Member of the Management Board	**Andreas Brandstetter** Member of the Management Board	**Karl Unger** Member of the Management Board	**Gottfried Wanitschek** Member of the Management Board

Consolidated Balance Sheet

as at 31 December 2007

Assets		Notes	31 Dec. 2008 € 000	31 Dec. 2007 € 000
A.	**Tangible assets**			
	I. Self-used land and buildings	1	220,565	227,187
	II. Other tangible assets	2	113,412	138,030
			333,977	**365,218**
B.	**Land and buildings held as financial investments**	3	**1,147,634**	**1,014,259**
C.	**Intangible assets**			
	I. Deferred acquisition costs	4	872,003	873,462
	II. Goodwill	5	500,969	293,458
	III. Other intangible assets	6	34,424	39,273
			1,407,396	**1,206,193**
D.	**Shares in associated companies**	7	**851,382**	**506,654**
E.	**Investments**			
	I. Variable-yield securities			
	1. Available for sale	9	2,243,156	3,969,512
	2. At fair value through profit or loss		948,998	975,953
			3,192,154	**4,945,465**
	II. Fixed interest securities			
	1. Held to maturity	8	448,957	0
	2. Available for sale	9	7,760,272	10,072,617
	3. At fair value through profit or loss		271,468	496,638
			8,480,698	**10,569,255**
	III. Loans and other investments			
	1. Loans	11	3,201,817	982,480
	2. Cash at credit institutions	12	1,457,298	649,313
	3. Deposits with ceding companies	12	129,405	118,908
			4,788,519	1,750,700
	IV. Derivative financial instruments			
	1. Variable-yield derivatives	10	15,898	17,977
	2. Fixed interest derivatives	10	3,179	42,252
			19,077	**60,228**
			16,480,448	**17,325,648**
F.	**Investments held on account and at risk of life insurance policyholders**	24	**2,642,462**	**2,470,340**
G.	**Share of reinsurance in technical provisions**			
	I. Provision for unearned premiums	19	28,776	7,902
	II. Actuarial provision	20	431,387	408,653
	III. Provision for outstanding claims	21	294,952	351,617
	IV. Provision for profit-unrelated premium refunds	22	225	365
	V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	100	100
	VI. Other technical provisions	23	5,529	3,029
			760,970	**771,666**
H.	**Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders**	24	**382,480**	**346,868**
I.	**Receivables including receivables under insurance business**	13		
	I. Reinsurance receivables		46,766	67,795
	II. Other receivables		835,119	695,198
	III. Other assets		50,432	43,383
			932,317	**806,377**
J.	**Receivables from income tax**	14	**54,077**	**51,253**
K.	**Deferred tax assets**	15	**69,096**	**77,055**
L.	**Liquid funds**		**567,853**	**647,133**
Total assets			**25,630,093**	**25,588,664**

Equity and liabilities		Notes	31 Dec. 2008 € 000	31 Dec. 2007 € 000
A.	**Total equity**			
	I. Shareholders' equity	16		
	1. Subscribed capital and capital reserves		390,681	206,305
	2. Revenue reserves		809,227	885,532
	3. Revaluation reserves		11,570	184,506
	4. Group total profit		53,190	60,037
			1,264,668	**1,336,380**
	II. Minority interests in shareholders' equity	17	194,108	195,843
			1,458,776	**1,532,223**
B.	**Subordinated liabilities**	18	**580,544**	**575,000**
C.	**Technical provisions**			
	I. Provision for unearned premiums	19	523,561	429,985
	II. Actuarial provision	20	15,601,625	15,166,700
	III. Provision for outstanding claims	21	2,204,950	2,191,671
	IV. Provision for profit-unrelated premium refunds	22	46,135	48,231
	V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	–5,129	389,796
	VI. Other technical provisions	23	49,452	38,492
			18,420,594	**18,264,874**
D.	**Technical provisions held on account and at risk of life insurance policyholders**	24	**2,579,997**	**2,412,937**
E.	**Financial liabilities**			
	I. Liabilities from loans	25	189,053	185,900
	II. Derivatives	10	7,087	12,342
			196,140	**198,242**
F.	**Other provisions**			
	I. Pensions and similar provisions	26	436,478	509,541
	II. Other provisions	27	207,919	194,272
			644,397	**703,813**
G.	**Payables and other liabilities**	28		
	I. Reinsurance liabilities		869,258	796,780
	II. Other payables		567,129	720,778
	III. Other liabilities		11,122	9,483
			1,447,509	**1,527,041**
H.	**Liabilities from income tax**	29	**57,294**	**41,618**
I.	**Deferred tax liabilities**	30	**244,841**	**332,916**
Total equity and liabilities			**25,630,093**	**25,588,664**

Consolidated Income Statement

from 1 January to 31 December 2008

		Notes	2008 € 000	2007 € 000
1.	**Premiums written (retained)**	31		
	a) Gross		5,002,364	4,527,889
	b) Reinsurers' share		–230,954	–388,449
			4,771,410	**4,139,440**
2.	**Change due to premiums earned (retained)**			
	a) Gross		–41,195	–38,243
	b) Reinsurers' share		157	5,180
			–41,038	**–33,063**
3.	**Premiums earned (retained)**	32		
	a) Gross		4,961,169	4,489,647
	b) Reinsurers' share		–230,796	–383,269
			4,730,372	**4,106,377**
4.	**Income from fees and provisions**	33		
	Reinsurance provisions and profit shares from reinsurance business ceded		**19,399**	**71,426**
5.	**Net investment income**	34	**227,596**	**993,005**
	of which profit from associated companies		143,142	303,075
6.	**Other income**	35	**80,008**	**37,131**
Total income			**5,057,374**	**5,207,939**
7.	**Insurance benefits**	36		
	a) Gross		–3,704,463	–3,891,922
	b) Reinsurers' share		142,842	294,897
			–3,561,622	**–3,597,024**
8.	**Operating expenses**	37		
	a) Acquisition costs		–869,703	–793,661
	b) Other operating expenses		–387,102	–333,443
			–1,256,805	**–1,127,104**
9.	**Other expenses**	38	**–99,416**	**–86,569**
10.	**Amortisation of goodwill**		**–10,530**	**–19,095**
Total expenses			**–4,928,373**	**–4,829,792**
11.	**Operating profit**		**129,002**	**378,147**
12.	**Financing costs**		**–38,785**	**–37,891**
13.	**Profit on ordinary activities**		**90,217**	**340,256**
14.	**Income taxes**	39	**–23,470**	**–71,263**
15.	**Net profit**		**66,748**	**268,993**
	of which consolidated profit		53,308	247,103
	of which minority interests		13,440	21,889
Earnings per share[1] in €		16	**0.44**	**2.07**
Average number of shares in circulation			**121,064,534**	**119,427,808**

[1] The diluted earnings per share are equal to the undiluted earnings per share. Calculated on the basis of the consolidated profit.

Consolidated Cash Flow Statement

from 1 January to 31 December 2008

	2008 € 000	2007 € 000
Net profit including minority interests		
Net profit	66,748	268,993
of which interest and dividend payments	37,602	3,378
Minority interests	–13,440	–21,889
Change in technical provisions (net)	188,581	494,741
Change in deferred acquisition costs	1,459	–10,032
Change in amounts receivable and payable from direct insurance	–26,021	58,399
Change in other amounts receivable and payable	–156,183	–61,491
Change in securities at fair value through profit or loss	293,276	97,082
Realised gains/losses on the disposal of investments	–446,831	–144,154
Depreciation/appreciation of other investments	522,715	185,077
Change in provisions for pension and severance payments	–73,063	–32,878
Change in deferred tax assets/liabilities	–80,115	37,881
Change in other balance sheet items	60,063	465
Change in goodwill and intangible assets	–1,778	–32,078
Other non-cash income and expenses as well as accounting period adjustments	–68,448	6,067
Net cash flow from operating activities	**266,962**	**846,183**
of which cash flow from income tax	–43,177	–45,599
Receipts due to disposal of consolidated companies and other business units	449,309	207,869
Payments due to acquisition of consolidated companies and other business units	–928,619	–53,403
Receipts due to disposal and maturity of other investments	9,854,721	12,125,000
Payments due to acquisition of other investments	–9,687,349	–12,272,398
Change in investments held on account and at risk of life insurance policyholders	–172,123	–517,443
Net cash flow used in investing activities	**–484,061**	**–510,375**
Change in investments on own shares	184,375	0
Change in holding of own shares	–8,296	0
Dividend payments	–59,714	–41,800
Receipts and payments from other financing activities	8,698	92,375
Net cash flow used in financing activities	**125,063**	**50,575**
Change in cash and cash equivalents	–92,036	386,384
Change in cash and cash equivalents due to foreign currency translation	–215	–2,666
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	12,971	252
Cash and cash equivalents at beginning of period	647,133	263,164
Cash and cash equivalents at end of period	**567,853**	**647,133**
of which cash flow from income tax	–43,177	–45,599

The cash and cash equivalents correspond to item L. of the assets: Liquid funds.

Development of Group Equity

	Subscribed capital and capital reserves € 000	Revaluation reserve € 000	Revenue reserves including reserves for own shares € 000
As at 31 Dec. 2006	**206,305**	**181,982**	**694,722**
Changes for:			
Foreign currency translation			3,771
Change in consolidation scope			
Unrealised capital gains and losses from evaluation at equity			1,894
Dividends to shareholders			
Own shares			
Unrealised capital gains and losses from investments		2,524	
Net profit for the period			
Changes in revenue reserves			187,304
Changes in capital reserves			
Other			402
As at 31 Dec. 2007	**206,305**	**184,506**	**888,093**
Changes for:			
Capital increase	184,375		
Foreign currency translation			–57,853
Change in consolidation scope			–6,527
Unrealised capital gains and losses from evaluation at equity			–3,943
Dividends to shareholders			
Own shares			
Unrealised capital gains and losses from investments		–172,937	
Net profit for the period			
Changes in revenue reserves			440
Changes in capital reserves			
Other			–125
As at 31 Dec. 2008	**390,681**	**11,570**	**820,085**

Holding of own shares € 000	Profits carried forward and net profit for the year € 000	Equity € 000	Minority interests € 000	Total equity € 000
–2,561	**42,037**	**1,122,485**	**207,299**	**1,329,784**
		3,771		3,771
			–5,355	–5,355
		1,894	244	2,137
	–41,800	–41,800	–10,304	–52,104
		2,524	–17,930	–15,406
	247,103	247,103	21,889	268,993
	–187,304			
		402		402
–2,561	**60,037**	**1,336,380**	**195,843**	**1,532,223**
		184,375		184,375
		–57,853		–57,853
		–6,527	8,524	1,997
		–3,943	707	–3,237
	–59,714	–59,714	–8,913	–68,627
–8,296		–8,296		-8,296
		–172,937	–15,492	–188,429
	53,308	53,308	13,440	66,748
	–440			
		–125		–125
–10,857	53,190	1,264,668	194,108	1,458,776

Financial Section

Segment Balance Sheet

Classified by segment

		Property and casualty		Health	
		31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Assets					
A.	Tangible assets	203,023	220,276	13,344	15,727
B.	Land and buildings held as financial investments	354,144	329,023	186,666	179,540
C.	Intangible assets	486,122	323,265	225,299	215,600
D.	Shares in associated companies	191,928	367,836	103,781	59,048
E.	Investments	2,731,826	2,848,992	2,026,471	1,854,097
F.	Investments held on account and at risk of life insurance policyholders	0	0	0	0
G.	Share of reinsurance in technical provisions	316,949	350,810	2,268	2,482
H.	Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders	0	0	0	0
I.	Receivables incl. receivables under insurance business	615,940	610,462	162,596	201,110
J.	Receivables from income tax	25,341	21,108	3,397	3,108
K.	Deferred tax assets	63,663	70,848	–429	3,210
L.	Liquid funds	196,726	105,935	121,614	157,909
Total segment assets		**5,185,664**	**5,248,556**	**2,845,008**	**2,691,832**
Equity and liabilities					
B.	Subordinated liabilities	340,544	335,000	0	0
C.	Technical provisions	2,552,789	2,435,552	2,464,667	2,348,345
D.	Technical provisions for life insurance policies held on account and at risk of policyholders	0	0	0	0
E.	Financial liabilities	183,788	169,000	3,300	1,386
F.	Other provisions	602,801	665,029	8,030	8,833
G.	Payables and other liabilities	904,225	898,741	47,958	30,103
H.	Liabilities from income tax	47,919	31,472	8,824	4,614
I.	Deferred tax liabilities	196,759	233,629	43,747	64,226
Total segment liabilities		**4,828,825**	**4,768,424**	**2,576,526**	**2,457,506**

	Life		Consolidation		Group	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
	117,609	129,215	0	0	333,977	365,218
	606,823	505,697	0	0	1,147,634	1,014,259
	695,975	667,328	0	0	1,407,396	1,206,193
	555,673	79,770	0	0	851,382	506,654
	12,146,838	12,792,992	–424,687	–170,433	16,480,448	17,325,648
	2,642,462	2,470,340	0	0	2,642,462	2,470,340
	441,752	418,374	0	0	760,970	771,666
	382,480	346,868	0	0	382,480	346,868
	762,981	431,821	–609,200	–437,017	932,317	806,377
	25,339	27,036	0	0	54,077	51,253
	5,862	2,997	0	0	69,096	77,055
	249,513	383,289	0	0	567,853	647,133
	18,633,308	18,255,725	–1,033,887	–607,449	25,630,093	25,588,664
	270,000	270,000	–30,000	–30,000	580,544	575,000
	13,399,459	13,485,296	3,678	–4,319	18,420,594	18,264,874
	2,579,997	2,412,937	0	0	2,579,997	2,412,937
	215,966	49,222	–206,913	–21,366	196,140	198,242
	33,567	29,952	0	0	644,397	703,813
	1,290,935	1,148,799	–795,609	–550,602	1,447,509	1,527,041
	551	5,532	0	0	57,294	41,618
	4,335	35,060	0	0	244,841	332,916
	17,794,809	17,436,798	–1,028,844	–606,287	24,171,317	24,056,441
				Equity and minority interests	1,458,776	1,532,223
				Total equity and liabilities	25,630,093	25,588,664

The amounts indicated have been adjusted to eliminate amounts resulting from segment-internal transactions. Therefore the balance of segment assets and segment liabilities does not allow conclusions to be drawn with regard to the equity allocated to the respective segment.

Segment Income Statement

Classified by segment

	Property and casualty		Health	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
1. a) Gross premiums written	2,438,009	2,199,785	947,644	907,761
1. Premiums written (retained)	2,282,537	1,887,344	946,177	906,356
2. Change due to premiums earned (retained)	–32,827	–32,238	315	–736
3. Premiums earned (retained)	2,249,710	1,855,105	946,492	905,620
4. Income from fees and provisions	15,563	63,482	116	106
5. Net investment income	60,597	278,876	17,475	137,181
6. Other income	74,573	29,961	1,204	1,047
7. Insurance benefits	–1,443,949	–1,253,528	–809,683	–811,254
8. Operating expenses	–762,816	–667,457	–134,285	–127,892
9. Other expenses	–71,353	–45,970	–1,808	–3,285
10. Amortisation of goodwill	0	–4,688	0	0
11. Operating profit	122,325	255,780	19,511	101,522
12. Financing costs	–24,220	–23,276	0	0
13. Profit on ordinary activities	**98,106**	**232,504**	**19,511**	**101,522**
14. Income taxes	–8,982	–45,386	–4,400	–24,425
15. Net profit	**89,124**	**187,118**	**15,110**	**77,097**
of which consolidated profit	68,836	179,418	9,574	55,813
of which minority interests	20,287	7,700	5,536	21,284

Impairment by segment

	Property and casualty		Health	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
Goodwill				
Change in impairment for current year	0	–4,689	0	0
of which reallocation affecting income	0	–4,689	0	0
Investments				
Change in impairment for current year	–51,830	–50,359	–43,099	–17,063
of which reallocation/reinstatement of original values affecting income	–51,830	–50,359	–43,099	–17,063

	Life		Consolidation		Group	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
	1,653,326	1,422,398	–36,615	–2,054	5,002,364	4,527,889
	1,573,420	1,342,880	–30,724	2,861	4,771,410	4,139,440
	–3,254	–480	–5,272	391	–41,038	–33,063
	1,570,166	1,342,401	–35,996	3,252	4,730,372	4,106,377
	6,377	11,484	–2,657	–3,646	19,399	71,426
	150,925	579,318	–1,401	–2,369	227,596	993,005
	14,548	7,283	–10,317	–1,160	80,008	37,131
	–1,328,260	–1,534,497	20,270	2,255	–3,561,622	–3,597,024
	–369,739	–332,376	10,035	622	–1,256,805	–1,127,104
	–43,408	–37,792	17,153	479	–99,416	–86,569
	–10,530	–14,407	0	0	–10,530	–19,095
	–9,921	21,412	–2,913	–567	129,002	378,147
	–14,565	–14,615	0	0	–38,785	–37,891
	–24,486	**6,797**	**–2,913**	**–567**	**90,217**	**340,256**
	–10,087	–1,452	0	0	–23,470	–71,263
	–34,573	5,345	–2,913	–567	66,748	268,993
	–22,189	12,440	–2,913	–567	53,308	247,103
	–12,383	–7,095	0	0	13,440	21,889

	Life		Consolidation		Group	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
	0	0	0	0	0	–4,689
	0	0	0	0	0	–4,689
	–387,373	–138,422	0	0	–482,302	–205,844
	–387,373	–138,422	0	0	–482,302	–205,844

Financial Section

Classified by region

	Premiums earned (retained)		Net investment income	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
Western Europe (incl. Austria)	3,919,460	3,686,823	173,326	954,617
Austria	**2,957,792**	**2,889,769**	**97,602**	**863,864**
Other Europe	**1,808,576**	**1,213,356**	**138,569**	**138,176**
Western Europe	**961,668**	**797,053**	**75,724**	**90,754**
Italy	214,251	193,335	37,045	48,817
Germany	298,865	288,006	43,390	29,188
Switzerland	445,150	311,286	–6,761	9,612
Liechtenstein	3,402	4,426	2,049	3,026
The Netherlands	0	0	2	110
Eastern Europe	**846,908**	**416,303**	**62,846**	**47,422**
Poland	464,871	139,939	16,832	12,844
Hungary	87,916	86,788	31,526	20,953
Czech Republic	104,562	77,084	–557	5,176
Bulgaria	42,995	40,086	1,076	1,408
Slovakia	46,226	37,643	3,293	2,986
Ukraine	29,674	143	1,160	118
Romania	20,234	0	2,159	637
Serbia	19,953	12,896	4,493	1,501
Croatia	16,341	11,815	1,678	995
Bosnia and Herzegovina	13,464	9,800	1,737	799
Others	674	108	–551	4
Total before consolidation	**4,766,368**	**4,103,125**	**236,172**	**1,002,039**
Consolidation (based on geographic segments)	–35,996	3,252	–8,576	–9,035
In the consolidated financial statements	**4,730,372**	**4,106,377**	**227,596**	**993,005**

The investment income and profit on ordinary activity by region are presented net of the capital consolidation effects contained in the investment income. The consolidation item includes the expenditure and income consolidation from operational business relations between Group companies on the basis of geographic segments.

Insurance benefits		Operating expenses		Profit on ordinary activities	
2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
–2,971,455	–3,352,784	–1,066,143	–1,004,440	42,758	306,021
–2,273,314	**–2,754,509**	**–719,861**	**–671,928**	**–5,250**	**294,254**
–1,308,578	**–844,771**	**–671,579**	**–575,905**	**86,347**	**53,399**
–698,141	**–598,276**	**–346,283**	**–332,512**	**48,007**	**11,767**
–156,123	–160,667	–77,010	–78,653	18,182	4,400
–239,792	–222,918	–128,981	–127,864	14,859	4,024
–297,603	–209,950	–136,096	–123,622	18,764	3,021
–4,623	–4,741	–4,195	–2,374	–3,799	212
0	0	0	0	2	110
–610,437	**–246,495**	**–325,296**	**–243,393**	**38,339**	**41,632**
–409,869	–102,632	–74,519	–59,877	6,473	7,817
–30,953	–34,682	–74,339	–66,732	25,525	20,314
–51,680	–40,445	–55,399	–45,000	13,504	13,086
–23,402	–25,676	–26,725	–24,670	1,484	–2,259
–26,990	–19,981	–30,825	–23,821	4,600	7,341
–11,776	–2	–19,720	–680	–9,381	–372
–21,573	0	–9,732	0	–231	535
–12,899	–9,239	–15,301	–9,029	–3,062	–4,791
–12,887	–7,767	–10,981	–8,772	–175	–99
–8,003	–5,997	–6,233	–4,687	1,433	146
–405	–74	–1,523	–126	–1,831	–86
–3,581,892	**–3,599,279**	**–1,391,439**	**–1,247,833**	**81,097**	**347,653**
20,270	2,255	134,634	120,729	9,120	–7,398
–3,561,622	–3,597,024	–1,256,805	–1,127,104	90,217	340,256

Financial Section

Notes to the Group Financial Statements

Accounting regulations

As a publicly listed company, UNIQA is obligated to prepare its consolidated financial statements according to internationally accepted accounting principles. In accordance with Section 245a of the Austrian Business Code, the company has prepared the consolidated financial statements exclusively in agreement with the International Financial Reporting Standards (IFRS) as applied within the European Union. This means that these consolidated financial statements and the group management report do not follow the accounting principles according to the Insurance Supervisory Act but rather the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) in the versions applicable to this reporting period. IFRS 8 "Operating Segments" as issued in November 2006 was applied for the first time in the 1st quarter of 2008. This means that the main business fields described in the primary segment reporting – property and casualty insurance, health insurance and life insurance – were used for reporting according to IFRS 8. No early application of other modified standards was performed.

Since 2005, UNIQA Versicherungen AG has applied IFRS 4 published in 2004 for insurance policies. This standard demands that the methods of accounting and valuation be largely unaltered with regard to the technical items.

The present Group financial statements were therefore prepared, as is previous years, in compliance with IFRS 4 and in accordance with the regulations of the US Generally Accepted Accounting Principles (US-GAAP). For balancing the accounts and evaluation of the insurance-specific entries of life insurance with profit participation, FAS 120 was observed; FAS 60 was applied for specific items in the health, property and casualty insurance and FAS 113 in the area of reinsurance. Unit-linked life insurance, for which the policyholder bears the investment risk, is stated according to FAS 97.

The financial instruments were balanced in accordance with IFRS 39 including the information required by IAS 7, as most recently amended in October 2008. In addition to the presentation of securities under "Held to maturity", "Available for sale", "At fair value through profit or loss" and "Derivative financial instruments (held for trading)", additional disclosures for securities available for sale are reported in the following investment categories, which were utilised for the internal risk reports:

- Shares in affiliated companies
- Shares
- Equity funds
- Debenture bonds not capital guaranteed
- Other variable-yield securities
- Participating interests and other investments
- Fixed interest securities

Consolidation

Scope of consolidation

In addition to the annual financial statement of UNIQA Versicherungen AG, the Group financial statements include the financial statements of all subsidiaries at home and abroad. Thirty-eight affiliated companies did not form part of the consolidated Group. They were only of minor significance, even if taken together, for the presentation of a true and fair view of the Group's assets, financial position and income. Therefore the scope of consolidation contains – in addition to UNIQA Versicherungen AG – 37 domestic and 77 foreign subsidiaries in which UNIQA Versicherungen AG held the majority of voting rights.

The scope of consolidation was extended in the reporting period by the following companies:

	Date of initial inclusion	Net profit € million[1]	Acquired shares %	Acquisition costs € million	Goodwill 31 Dec. 2008 € million
UNIQA Real Estate Finanzierungs GmbH, Vienna	1.1.2008	–1.8	100.0	0.0	0.0
SIGAL Holding sH.A., Tirana	1.1.2008	0.4	45.6	18.3	10.3
UNIQA Real Estate d.o.o., Belgrade	1.7.2008	–0.1	100.0	0.0	0.0
Renaissance Plaza d.o.o., Belgrade	1.7.2008	1.1	100.0	3.2	0.0
UNIQA Real Estate Alpha d.o.o., Belgrade	1.7.2008	0.0	100.0	0.0	0.0
UNIQA Real Estate Beta d.o.o., Belgrade	1.7.2008	0.0	100.0	0.0	0.0
GLM Errichtungs GmbH, Vienna	1.10.2008	0.3	100.0	6.4	0.0
UNIQA Group Audit GmbH, Vienna	1.10.2008	0.0	100.0	0.0	0.0
UNIQA Asigurari de Viata SA, Bucharest	1.10.2008	0.5	100.0	5.0	0.2
UNITA Vienna Insurance Group S.A., Bucharest	1.10.2008	1.6	100.0	208.7	188.7
AGRAS Vienna Insurance Group S.A., Bucharest	1.10.2008	–0.1	92.3	0.0	1.5
UNIQA Health Insurance AD, Sofia	1.10.2008	0.0	75.0	0.3	0.0
UNIQA Real Estate Albania Shpk., Tirana	1.10.2008	0.0	100.0	0.0	0.0
Albarama Limited, Nikosia	1.10.2008	0.0	100.0	12.5	9.7
Ave-Plaza LLC, Kharkiv	1.10.2008	0.0	50.0	0.0	0.0
Asena CJSC, Nikolaev	1.10.2008	1.6	100.0	4.2	0.0
UNIQA Real Estate Poland Sp.z.o.o., Warsaw	1.10.2008	0.0	100.0	0.0	0.0
Black Sea Investment Capital, Kiev	1.10.2008	–0.6	100.0	10.2	0.0
Legiwaton Investments Limited, Limassol	1.10.2008	0.0	100.0	0.3	0.1
UNIQA Real Estate Ukraine LLC, Kiev	1.10.2008	0.0	100.0	0.0	0.0
Reytarske LLC, Kiev	1.10.2008	0.2	100.0	0.0	0.0
Leipnik-Lundenburger Invest Beteiligungs AG, Vienna	31.12.2008	1.3	24.9	158.7	82.4

[1] Net profit included in the consolidated financial statements

In the 1st quarter of 2008, the UNIQA Group acquired an additional 36.0% in the Albanian insurance holding SIGAL Holding sH.A. bringing the Group's share in the SIGAL Group up to 45.6%. This is recorded on the balance sheet under shares in associates. The holding in the Ukrainian company Credo-Classic was expanded from 35.5% to 61.0%. The company has been fully consolidated since 31 March 2008.

In the 4th quarter of 2008, the Group took over 100% of the share capital of the Romanian property insurer UNITA S.A., which also owns 92.3% of AGRAS S.A. Since the balance sheet of UNITA S.A. for the 2008 financial year has not yet been certified, it was not possible to perform a final apportioning of the acquisition costs to the purchased assets and debt items as at the reporting date. The final apportioning to assets, debt items and goodwill – i.e. purchase price allocation – will take place within twelve months of acquisition.

In December, the holding in Leipnik-Lundenburger Invest Beteiligungs AG was expanded to 24.9%; this is shown on the balance sheet as shares in associated companies.

The effects of the change to the scope of consolidation on the main asset and debt positions can be seen under No. 5 of the notes to the consolidated financial statements.

The associated companies refer to 15 domestic and two foreign companies consolidated at equity; of these, ten companies were of minor significance and were listed at current market value.

In applying IAS 39 and in terms of the present interpretation of this statement by the IASB (SIC 12), fully controlled investment funds will be included in the consolidation insofar as their fund volumes were not of minor importance when viewed singularly and in total.

Changes in the 1st quarter of 2009
Lebensversicherung Raiffeisen Life IC LLC is currently being founded with headquarters in Moscow.

Consolidation principles
Capital consolidation follows the acquisition method. The costs of acquiring shares in the subsidiaries are written as the proportional equity of the subsidiary that was first revalued. The conditions at the time of acquiring the shares in the consolidated subsidiary are taken into consideration for the initial consolidation. To the extent other (non-Group) shareholders hold shares in the subsidiary's equity at the reporting date, these are dealt with under minority interests.

If the shareholding was acquired before 1 January 1995, the differences are set off against profits carried forward in line with the applicable transitional provisions.

Negative differences from mergers consummated after 31 March 2004 must be credited with an effect on income immediately after re-appraisal.

In compliance with IFRS 3, the goodwill is not subject to any scheduled depreciation. The value of existing goodwill resultant from the acquisition of holdings is appraised in an annual impairment test. A fall in value is written off where necessary.

Impairment Test
Goodwill arises from company mergers and acquisitions. It represents the difference between the acquisition costs and the proportional current market value of identifiable assets, debts and specific contingent liabilities. In accordance with IAS 36, the goodwill is not subject to scheduled depreciation but listed as the acquisition costs less any accrued impairments.

For the purpose of the impairment test, the UNIQA Group has apportioned the goodwill into "cash generating units" (CGU). These CGUs represent the lowest possible level of the company at which goodwill is observed for internal management purposes and in accordance with the strategy.

The impairment test implies a comparison between the realisable value of each CGU and its book valuation, consisting of goodwill and the proportional share capital. If this book valuation of the CGU exceeds the realisable value of the unit based on the earning power method, an impairment is performed.

The UNIQA Group has apportioned the goodwill into the following CGUs:

- Austria
- Bosnia
- Bulgaria
- Croatia
- Czech Republic
- Germany as sub-group
- Hungary
- Italy as sub-group
- Liechtenstein
- Poland
- Romania
- Serbia/Montenegro as sub-group
- Slovakia
- Switzerland
- Ukraine

The utility value is determined by the UNIQA Group through application of generally accepted valuation principles. The value of all CGUs is determined according to the earning power method. The budget projections (detailed planning phase) of the CGUs, the estimate of the long-term results achievable by the CGUs (perpetuity) as well as the internal growth rates are used as the starting point for determination of the earning power.

The earning power is determined through discounting of the future profits with a suitable capitalisation interest rate. No differentiation of the valuation method according to balance sheet segment takes place here because the company is considered as a unit (CGU). As a basis for the valuation, the earning power of each individual CGU is calculated using a discounted cash flow model based on the planned future results.

The company plans used for the calculation are the result of a structured and standardised management dialogue between the UNIQA headquarters in Vienna and the operational units in combination with the reporting and documentation process integrated into this dialogue. The company planning generally encompasses a period of five years. If necessary for determination of the perpetuity, the planned results are adapted to correspond to the sustainably achievable long-term results.

Taxes on profit were assumed for the years 2009–2013 at the effective tax rate of the last three years.

The capitalisation interest rate is based on the capital asset pricing model (CAPM) and reasonable growth rates. The assumptions with regard to risk-free interest rate, market risk premium and segment betas made for determination of the capitalisation interest rate are consistent with the parameters used in the UNIQA planning and controlling process.

Various studies and statistical analyses were used as sources to provide a basis for determining the growth rates in order to consistently and realistically reflect the market situation and macroeconomic development.

The following studies and materials served as reference sources:

- SwissRe – Insurance density CEE
- Sigma – 3/2008 Insurance density CEE
- Raiffeisen Research – Inflation rate trends
- Eurostat – GDP growth, interest rate trends
- WIIW (Wiener Institut für internationale Wirtschaftsvergleiche) – Purchasing power parities, GDP growth CEE
- Damodaran – Country risks, growth rate estimates, multiples

The capitalisation interest rate and the internal growth rates are listed below for all significant CGUs:

Cash Generating Unit	Discount factor	Discount factor perpetuity
Austria	8.68%	7.68%
Bosnia	19.99%	10.49%
Bulgaria	12.51%	6.01%
Croatia	11.51%	10.51%
Czech Republic	10.66%	9.66%
Germany	8.25%	7.25%
Hungary	10.94%	9.94%
Italy	10.55%	8.55%
Liechtenstein	6.85%	6.35%
Poland	10.94%	9.94%
Romania	12.51%	5.51%
Serbia/Montenegro	19.99%	10.49%
Slovakia	10.66%	9.66%
Switzerland	6.85%	6.35%
Ukraine	18.58%	11.58%

Source: Damodaran and derived factors

Sensitivity analyses with regard to the capitalisation interest rate and the main value drivers are performed in order to verify the results of the appraisal of the utility value.

These analyses show that sustained surpluses on the part of the individual CGUs are highly dependent on the actual development of these assumptions within the individual conomies (GDP, insurance density, purchasing power parities), particularly in the CEE markets, as well as the associated implementation of the individual profit goals. These forecasts and the associated actual future market situation in the currently retrocessive markets and the impact of the continued economic crisis are the largest uncertainties in connection with the valuation results. The statistically demonstrable development scenario according to which every crisis gives rise to a subsequent, sustained upward trend after two to three years is taken into account in the calculations in that an approximation of a weighted average level was applied in derivation of the perpetuity. Exchange rate risks were valued conservatively in that the rates as at 31 December 2008 were carried forward into the long term. For the event that the intensity and duration of the economic crisis turn out to be much greater than assumed in the business plans and fundamental forecasts, unscheduled depreciations may result for the individual CGUs.

A history of GDP development in our markets since 2006 exhibits a development as shown in the table below. This forecast for 2010 and the following years supports the prediction of a renewed, consistent upward trend in the CEE markets and characterises the crisis of 2008 and 2009 as a real but temporary slowdown in economic growth such that no long term decline in these core markets for UNIQA is expected at this time.

	2006	2007	2008e	2009f	2010f
Poland					
GDP (% in annual comparison)	6.2	6.7	4.8	–0.8	0.0
Hungary					
GDP (% in annual comparison)	4.1	1.1	0.6	–5.0	–1.0
Czech Republic					
GDP (% in annual comparison)	6.9	6.0	3.1	–2.6	1.3
Slovakia					
GDP (% in annual comparison)	8.5	10.4	6.4	0.8	3.5
Croatia					
Real GDP (% in annual comparison)	4.8	5.6	2.0	–3.2	1.1
Bosnia-Herzegovina					
Real GDP (% in annual comparison)	6.9	6.8	5.5	0.5	2.8
Serbia					
Real GDP (% in annual comparison)	5.6	7.1	6.5	0.5	2.0
Bulgaria					
Real GDP (% in annual comparison)	6.3	6.2	6.0	–0.5	2.5
Romania					
Real GDP (% in annual comparison)	7.9	6.2	7.1	0.5	1.5
Ukraine					
GDP (% in annual comparison)	7.3	7.9	2.1	–8.0	–1.0
Albania					
Real GDP (% in annual comparison)	5.0	6.0	6.0	3.5	4.5

Source: Raiffeisen Research March 2009

In consideration of the data and statistics upon which these calculations are based (see above) and the trend scenarios such as GDP forecasts per CGU or the development of the insurance density per CGU upon which the budget projections and planning of the individual CGUs are based, no shortfalls were identified in the impairment test in the year 2008.

The economic outlook, particularly in the markets of the Ukraine, Serbia and Romania, but also in view of the general economic and financial market developments, provides justification for regular performance of impairment tests in 2009.

The purchase price allocation of the acquisition price for UNITA Vienna InsuranceGroup S.A. according to IFRS 3 was not yet completed at the time this Group annual report was created.

As a general rule, shares in associated companies are valued according to the equity method using the equity held by the Group. Differences are determined according to the principles of capital consolidation, and the amounts are recorded under shares in associated companies. The updating of the development of the associated companies is based on the most recent financial statements available.

In establishing the value of shares in associated companies, an IFRS report is generally required. Where no IFRS reports are presented, the adjustment of the entries for these companies to the uniform Group valuation benchmarks must be dispensed with due to a lack of available documentation; however, this does not have any significant impact on the present Group consolidated financial statements.

For debt consolidation, the receivables from Group companies are set off against the payables to Group companies. As a rule, any differences have an effect on income. Group-internal results from supplies and services are eliminated if they are of minor significance for giving a true and fair view of the Group's assets, financial position and income. Proceeds and other income from supplies and services within the Group are set off against the corresponding expenditures.

Presentation of balance sheet and income statement

The International Financial Reporting Standards (IFRS) allow a shortened version of the balance sheet and income statement. Summarising many individual items into units enhances the informative quality of the financial statements. Explanatory notes to these items are contained in the notes to the consolidated financial statements. Rounding differences may result from the formatting to euro thousands.

Segment reports

The primary segment reports depict the main business segments of property and casualty insurance, life insurance and health insurance. The consolidation principles are applied here to transactions within a segment. In addition, the main items of the income statement are also broken down by regional perspectives.

Foreign currency translation

The reporting currency of UNIQA Versicherungen AG is the euro. All annual financial statements of foreign subsidiaries which are not reported in euro are converted at the rate on the balance sheet closing date according to the following guidelines:

- Assets, liabilities and transition of the annual net profit/deficit at the middle rate on the balance sheet closing date
- Income statement at the average exchange rate for the year
- Equity capital (except for annual net profit/deficit) at the historic exchange rate

Resulting exchange rate differences are set off against the shareholders' equity without affecting income.

The most important exchange rates are summarised in the following table:

Closing date rate in €	2008	2007
Swiss franc CHF	1.4850	1.6547
Slovakian koruna SKK	30.1260	33.5830
Czech koruna CZK	26.8750	26.6280
Hungarian forint HUF	266.7000	253.7300
Croatian kuna HRK	7.3555	7.3308
Polish zloty PLN	4.1535	3.5935
Bosnia and Herzegovina convertible mark BAM	1.9687	1.9517
Romanian leu (new) RON	4.0230	3.6080
Bulgarian lev (new) BGN	1.9558	1.9558
Ukranian hryvnia UAH	10.9199	7.3633
Serbian dinar RSD	89.7909	78.7950

Estimates

For creation of the Group consolidated financial statements according to IFRS, it is necessary to make assumptions for the future within various items. These estimates can have a considerable influence on the valuation of assets and debts on the balance sheet closing date as well as the amount of expenses and income in the financial year. The items below carry a not insignificant level of risk that considerable adjustments to asset or debt values may be necessary in the following year:

- Deferred acquisition costs
- Goodwill
- Shares in associated companies / investments – insofar as the valuation does not take place based on stock exchange prices or other market prices
- Technical provisions
- Pensions and similar provisions

Methods of accounting and valuation

The annual financial statements of the companies in Austria and abroad included in the consolidated financial statements were predominantly prepared up to the reporting date of UNIQA Versicherungen AG, i.e. 31 December. For recording in the consolidated financial statements, the annual financial statements of UNIQA Versicherungen AG and its included subsidiaries are unified to conform to the accounting and valuation principles of IFRS/IAS and, as far as actuarial provisions, acquisition costs and actuarial expenses and income are concerned, according to the provisions of US GAAP.

Securities transactions are recorded using the settlement date. As a rule, the fair values are derived from an active market.

Intangible assets

Intangible assets include goodwill, deferred acquisition costs, the current value of life, property and casualty insurance contracts and other items.

Goodwill is the difference between the purchase price for the stake in the subsidiary and the Group's share in the equity after the disclosure of hidden reserves at the time of acquisition.

Capitalised acquisition costs for insurance activities that are directly related to new business and/or to extensions of existing policies and that vary in line with that business are capitalised and written off over the term of the insurance contracts they refer to. If they are attributable to property and casualty insurance, they are written off over the probable policy term, with a maximum of five years. For life insurance, the acquisition costs are amortised over the duration of the policy in the same proportion as the expected profit margin of each individual year is realised in comparison to the total margin to be expected from the policies. For long-term health insurance policies, the depreciation of acquisition costs is measured in line with the proportionate share of earned premiums in the present value of expected future premium income. The changes in capitalised acquisition costs are shown as operating expenses.

With regard to life insurance business acquired, the updating of the current value follows the progression of the estimated gross margins.

The other intangible assets include both purchased and self-developed software which is depreciated on a straight line basis over its useful economic life of two to five years.

Land and buildings, including buildings on third-party land
Land and buildings that are held as long-term investments are recognised according to IAS 40 at acquisition or construction costs, reduced by the amounts of scheduled amortisations and depreciation. Owner-used land and buildings are shown at book value (IAS 16 – benchmarking method). The scheduled depreciation term generally corresponds to the useful life, up to a maximum of 80 years. Real estate is depreciated on a straight-line basis over time.

The list of fair values can be found in the Notes under No. 1 and 3.

Shares in affiliated and associated companies
To the extent that the annual financial statements of affiliated and associated companies are not consolidated for being of minor significance and/or included at equity, these companies are valued as available for sale in accordance with IAS 39.

Investments
With the exception of securities held to maturity, mortgage loans and other loans, the investments are listed at the current fair value, which is established by determining a market value or stock market price. In the case of investments for which no market value can be determined, the fair value is determined through internal valuation models, external reports or on the basis of estimates of what amounts could be achieved under the current market conditions in event of proper liquidation.

Securities held to maturity, mortgage loans and other loans
These are recognised as amortised costs in the balance sheet. This means that the difference between the acquisition costs and the repayment amount changes the book value with an effect on income in proportion to time and/or equity. The items included under other loans are recognised at their nominal amount less any redemptions made in the interim. On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-interest securities with a book value of € 2,130 million were reclassified. The corresponding revaluation reserve as at 30 June 2008 was € –98 million.

Securities available for sale
These are recognised in the financial statements at their fair value on the reporting date. Differences between the fair value and historical acquisition costs are dealt with under equity with a neutral effect on income, after deduction of the provisions for latent profit sharing in life insurance and deferred taxes. Depreciation that affects income (impairment) is undertaken only where we anticipate a lasting fall in value. This uses the fluctuations in fair value over the last nine months as well as the absolute difference between acquisition costs and the fair value on the reporting date as the basis for assessing a necessary impairment. For variable yield securities we assume a sustained impairment when the highest quoted price within the last nine months lies below the acquisition cost or the difference between the cost of acquisition and the market value is greater than 20%. These same selection criteria are also applied for fixed interest securities in order to perform a precise credit-related evaluation of a sustained impairment per security for the items in question. In addition, foreign exchange differentials resulting from fixed-income securities are recognised with an effect on income. Foreign exchange differentials resulting from variable yield securities are recognised as equity with no effect on income to the extent that these are not securities which are written off as the result of impairment. The fair value of other investments is based in part on external and internal company ratings.

Investments held for trade (trading portfolio)
Derivatives are used within the limits permitted by the Austrian Insurance Supervisory Act for hedging investments and for increasing earnings. All fluctuations in value are recognised in the income statement.

Investments at fair value through profit or loss (fair value option)
Structured products are not split between the underlying transaction and derivative, but are accounted for as a unit. All the structured products can therefore be found in the "Financial instruments at fair value through profit or loss" item of the balance sheet. Unrealised profits and losses are dealt with in the income statement. In accordance with IAS 39 (11A), ABS bonds, structured bonds, hedge funds and a special annuity fund with a high share of derivatives are also dealt with under the items for securities at fair value through profit or loss.

Deposits with credit institutions and other investments
are recognised at their fair value.

Investments held for unit-linked and index-linked life insurance policyholders
These investments concern life insurance policies whose value or profit is determined by investments for which the policyholder carries the risk, i.e. the unit-linked or index-linked life insurance policies. The investments in question are collected in asset pools, balanced at their current market value and managed separately from the remaining investments of the companies. The policyholders are entitled to all income from these investments. The amount of the balanced investments strictly corresponds to the actuarial provisions (before reinsurance business ceded) for life insurance, to the extent that the investment risk is borne by the policyholders. The unrealised profits and losses from fluctuations in the current market values of the investment pools are thus counterbalanced by the corresponding changes in these provisions.

Shares of reinsurers in the technical provisions
These are recognised on the assets page, taking the reinsurance contracts into consideration.

Receivables
These are recognised at their nominal value, taking into account redemptions made and reasonable value adjustments.

Liquid funds
are valued at their nominal amounts.

Other tangible assets
The tangible assets and inventories included on the balance sheet under other assets are recognised at acquisition and production costs, net of depreciation. Tangible assets are depreciated on a straight-line basis over their useful life (up to a maximum of ten years).

Equity
The **subscribed capital** corresponds to the calculated nominal value per share that was achieved upon issuing of the shares.

The **capital reserves** represent the amount earned over and above the calculated nominal value upon issue of the shares.

The **revaluation reserve** contains unrealised profits and losses from market valuations of securities available for sale.

The **revenue reserves** include the withheld profit of the UNIQA Group and proceeds from transactions with UNIQA shares.

The **portfolio of UNIQA shares** is deducted from the equity (revenue reserves).

The **minority interests** in shareholders' equity represent the proportional minority shares in equity.

Technical provisions

Unearned premiums

Unearned premiums are in principle calculated for each individual policy and exactly to the day. If they are attributable to life insurance, they are included in the actuarial provision.

Actuarial provision

Actuarial provisions are established in the property, life and health insurance lines. Their recognition value on the balance sheet is determined according to actuarial principles on the basis of the present value of future benefits to be paid by the insurer less the present value of future net premiums the insurer expects to receive. The actuarial provision of the life insurer is calculated by taking into account prudent and contractually agreed bases of calculation.

For policies of a mainly investment character (e.g. unit-linked life insurance), the regulations in the Statement of Financial Accounting Standards No. 97 (FAS 97) are used to value the actuarial provision. The actuarial provision is arrived at by combining the invested amounts, the change in value of the underlying investments and the withdrawals under the policy.

For unit-linked insurance policies, where the policyholder carries the sole risk of the value of the investment rising or falling, the actuarial provision is listed as a separate liability entry under "Technical provisions for life insurance where the investment risk is carried by policyholders".

The actuarial provisions for health insurance are determined on a calculation basis of "best estimate", taking into account safety margins. Once the calculation bases have been determined, these have to be applied to the corresponding partial portfolio for the whole term (locked-in principle).

Provision for outstanding claims

The provision for outstanding claims in the property insurance line consists of the future payment obligations determined by realistic estimation using recognised statistical methods taking into account current or expected volumes, including the related expense of loss adjustment. This applies to claims already reported as well as for claims incurred, but not yet reported. In insurance lines where past experience does not allow the application of statistical procedures, individual loss provisions are made.

Life insurance is calculated on an individual loss basis with the exception of the provision for unreported claims.

For health insurance, the provisions for outstanding claims are estimated on the basis of past experience, taking into consideration the known arrears in claim payments.

The provision for the assumed reinsurance business generally complies with the figures of the cedents.

Provision for premium refunds and profit sharing

The provision for premium refunds includes, on the one hand, the amounts for profit-related and profit-unrelated profit sharing to which the policyholders are entitled on the basis of statutory or contractual regulations and, on the other hand, the amount resulting from the valuation of assets and obligations of life insurers deviating from valuation under commercial law. The amount of the provision for latent profit sharing amounts to generally 85% of the valuation differentials before tax. These valuation differences can also give rise to net positive items, which are also listed here.

Other technical provisions

This item primarily contains the provision for contingent losses for acquired reinsurance portfolios as well as a provision for expected cancellations and premium losses.

Technical provisions for life insurance policies held on account and at risk of policyholders

This item concerns the actuarial provisions and the remaining technical provisions for obligations from life insurance policies whose value or income is determined by investments for which the policyholder bears the risk or for which the benefit is index-linked. As a general rule, the valuation corresponds with the investments of the unit-linked and index-linked life insurance written at current market values.

Other provisions for pensions and similar obligations

For the performance-orientated old age provision systems of the UNIQA Group, pension provisions are calculated in accordance with IAS 19 using the projected unit credit method. Future obligations are spread over the whole employment duration of the employees. All actuarial profits and losses due to changed parameters are recognised as having an effect on income. The calculation is based on current mortality, disability and fluctuation probabilities, expected increases in salaries, pension entitlements and pension payments as well as a realistic technical interest rate. The technical interest rate, which is determined in conformity with the market and on the basis of the reporting date, is in line with the market yield of long-term, high-quality industrial or government bonds.

The amount of **other provisions** is determined by the extent to which the provisions will probably be made use of.

Payables and **other liabilities** are shown at the amount to be repaid.

Deferred taxes

Deferred tax assets and liabilities are to be created according to IAS 12 for temporary differences arising from the comparison of a stated asset or an obligation using the respective taxable value. This results in probable tax burdens affecting future cash-flow. These are to be accounted for independently of the date of their release. Moreover, according to IAS, deferred taxes for accumulated losses brought forward and not yet used are to be capitalised to the extent that they can be used in the future with adequate probability.

Value adjustments (impairments)

In principle, the carrying amounts of assets on the balance sheet are checked at least once a year with regard to possible impairment. Securities with an expected lasting decrease in value are depreciated with an effect on income. The entire real estate inventory is subject to recurrent valuation through external reports prepared by legally sworn experts. If there is a foreseeable lasting reduction in the value of assets, their carrying amount is reduced.

Premiums
Of the premiums written in the area of unit and index-linked life insurance, only those parts calculated to cover the risk and costs are allocated as premiums.

Classes of insurance
(direct business and partly accepted reinsurance business)

- Life insurance
- Unit-linked and index-linked life insurance
- Health insurance
- Casualty insurance
- General liability insurance
- Motor TPL insurance, vehicle and passenger insurance
- Marine, aviation and transport insurance
- Legal expenses insurance
- Fire and business interruption insurance
- Housebreaking, burglary and robbery insurance
- Water damage insurance
- Glass insurance
- Storm insurance
- Household insurance
- Hail insurance
- Livestock insurance
- Machinery and business interruption insurance
- Construction insurance
- Credit insurance
- Other forms of insurance

Major differences between IFRS/IAS and Austrian accounting regulations

Goodwill
In the case of sustained impairment, the entire goodwill is written off at its fair value. The valuation is performed at least once a year by applying a valuation model (impairment test). No ordinary amortisation of goodwill is performed.

Intangible assets
According to IFRS, self-developed intangible assets have to be capitalised, whereas they cannot be capitalised under the Austrian Business Code.

Land and buildings
Land and buildings, including buildings on third-party land, are valued according to IAS 16 and also, if so chosen, according to IAS 40 at book value minus scheduled amortisation. These are based on the actual duration of use; in accordance with Austrian Business Code, they are mostly also influenced by tax regulations.

Shares in affiliated and associated companies
Affiliated and associated companies that are not consolidated fully or at equity due to their minor significance are recognised at fair value.

As a general rule, participating interests are valued at equity insofar as the company has the opportunity to exercise considerable influence. This is assumed, as a matter of principle, for shares between 20% and 50%. The actual exercising of considerable influence has no bearing on these figures.

Financial assets
According to IAS 39, a different classification system is applicable to financial assets. It classifies other securities into the following categories: held to maturity, available for sale, fair value through profit or loss (FVTPL) and trading portfolio (derivative financial instruments). The main valuation difference that applies to the other securities available for sale, which account for the majority of financial assets, as well as the other securities recorded with effect on income is that these are stated at fair value on the balance sheet date. According to the Austrian Business Code, the acquisition costs constitute the maximum valuation limit.

With regard to the other securities available for sale, the difference between book value and fair value is treated within the shareholders' funds without affecting income, whereas in the case of the other securities at fair value through profit or loss, the difference fully affects income. In contrast, when applying the strict lower-of-cost-or-market principle in statements according to the Austrian Business Code, depreciation always affects income even in the case of a temporary reduction in value and appreciation in line with the requirement to reinstate original values. In the case of the mitigated lower-of-cost-or-market principle, the impairment is not obligatory if the depreciation is only temporary. Expected permanent impairments, posted as depreciation, affect income according to both the IFRS and the Austrian Business Code.

Reinsurance
The shares of reinsurers in actuarial provisions are shown on the assets page of the balance sheet in accordance with IFRS 4.

Acquisition costs
Commissions as well as other variable costs that are directly related to the acquisition or extension of existing policies are capitalised and distributed over the insurance contract terms and/or the premium payment period. The capitalised acquisition costs also replace the administrative expense deductions allowed under the Insurance Supervisory Act for premiums brought forward in property and casualty insurance.

Actuarial provision
For the calculation of the actuarial provisions in life and health insurance, regulations deviating from Austrian law apply, which affect valuation variances as well as the allocation between actuarial provisions and provisions for premium refund. In particular, this refers to the non-application of the zillmerisation of acquisition costs as well as the integration of the revalued unearned premiums and real final bonus in the life insurance line.

Health insurance is mainly affected by the deviating interest rate as well as the application of the most recent parameters including safety margins.

Provision for premium refunds and profit sharing
Due to the difference in valuation of the assets and liabilities in the area of life insurance, a provision has to be made for deferred profit sharing which complies with the national legal or contractually regulated profit sharing and is assessed in favour of the policyholder. The change of the provision for deferred premium refunds compensates to a large extent for the effects of revaluation on the income statement and thus on the results for the year.

Provisions for outstanding claims
In accordance with US-GAAP, provisions for outstanding claims in the property insurance line are basically no longer established using the principle of caution and on a single-loss basis but rather using mathematical procedures based on probable future compliance amounts.

Provisions for claims equalisation and catastrophes
The establishment of provisions for claims equalisation and catastrophes is not permitted under IFRS or US-GAAP regulations as it does not represent any current obligations to third parties on the balance sheet date. Accordingly, transfers or releases do not influence the results for the year.

Pension commitments
The accounting principles used to calculate the pension provision under IFRS are different from those of the Austrian Business Code. These are listed in detail in IAS 19. Overall, the individual differences result in greater detail than under the Austrian Business Code. This is most notably the result of the use of the project-unit-credit method and of the anticipation of future demographic and economic developments.

Deferred taxes
Deferred tax assets and liabilities are to be created according to IAS 12 for temporary differences arising from the comparison of a stated asset or an obligation using the respective taxable value. This results in anticipated future tax burdens or relief on taxes on income (temporary differences), which are to be reported regardless of the date of their liquidation. According to Austrian business law, deferred taxation is only permissible as a result of a temporary difference between the commercial balance sheet profit and the income calculated according to the tax regulations.

Moreover, according to IAS, deferred taxes for accumulated losses brought forward and not yet used are to be capitalised to the extent that they can be used in the future with adequate probability.

Management and Supervisory Board members

Management Board

Chairman
Konstantin Klien, Vienna

Members
Hannes Bogner, Vienna
Andreas Brandstetter, Vienna
Karl Unger, Teesdorf
Gottfried Wanitschek, St. Margarethen

All members of the Management Board are appointed until 30 September 2010.

Supervisory Board

Chairman
Christian Konrad, Vienna
appointed from 29 June 1990 until the 12th AGM in 2011
- Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Member of the Supervisory Board of DO & CO Restaurants & Catering Aktiengesellschaft, Vienna
- Member of the Supervisory Board of BAYWA AG, Munich
- Vice Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

First Vice Chairman
Herbert Schimetschek, Vienna
appointed from 15 May 2006 until 19 May 2008
- Member of the Board of Directors of SCOR, Paris

Georg Winckler, Vienna
appointed from 17 September 1999 until the 12th AGM in 2011
- First Vice Chairman of the Supervisory Board of Erste Group Bank AG, Vienna

Second Vice Chairman
Walter Rothensteiner, Vienna
appointed from 3 July 1995 until the 12th AGM in 2011
- Chairman of the Supervisory Board of Raiffeisen International Bank-Holding AG, Vienna

Third Vice Chairman
Heinz Kessler, Vienna
appointed from 17 September 1999 until the 10th AGM in 2009
- Chairman of the Supervisory Board of Erste Group Bank AG, Vienna
- Vice Chairman of the Supervisory Board of Rath Aktiengesellschaft, Vienna

Fourth Vice Chairman
Karl Waltle, Bregenz
appointed from 25 June 1996 until 18 December 1996, and from 17 September 1999 until 19 May 2008

Günther Reibersdorfer, Salzburg
appointed from 23 May 2005 until the 12th AGM in 2011

Fifth Vice Chairman
Ewald Wetscherek, Vienna
appointed from 17 September 1999 until the 12th AGM in 2011

Members

Konrad Fuchs, Maria Enzersdorf
appointed from 17 September 1999 until the 10th AGM in 2009

Erwin Hameseder, Vienna
appointed from 21 May 2007 until the 12th AGM in 2011
- Vice Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- Vice Chairman of the Supervisory Board of VK Mühlen Aktiengesellschaft, Hamburg
- Member of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Christian Kuhn, Vienna
appointed from 15 May 2006 until the 12th AGM in 2011

Markus Mair, Graz
appointed from 15 May 2006 until the 12th AGM in 2011

Assigned by the Central Employee Council

Johann-Anton Auer, Ruprechtshofen
(since 18 February 2008)
Doris Böhm, Strasshof
Hans Hahnen, Absam
(until 21 May 2008 and since 1 September 2008)
Franz Michael Koller, Graz
Friedrich Lehner, Gunskirchen
(until 1 September 2008)
Walter Vock, Gumpoldskirchen
(until 18 February 2008)
Walter Zwiauer, Vienna

All selected members of the Supervisory Board have declared their independence under rule 53 of the Austrian Corporate Governance Code. The Supervisory Board appointments in domestic and foreign listed companies are given.

Committees of the Supervisory Board

Committee for Board Affairs

Christian Konrad (Chairman)
Herbert Schimetschek (until 19 May 2008)
Georg Winckler (since 19 May 2008)
Walter Rothensteiner
Heinz Kessler

Working Committee

Christian Konrad (Chairman)
Herbert Schimetschek (until 19 May 2008)
Georg Winckler (since 19 May 2008)
Walter Rothensteiner
Heinz Kessler
Karl Waltle (until 19 May 2008)
Günther Reibersdorfer (since 19 May 2008)
Ewald Wetscherek

Doris Böhm (assigned by the Central Employee Council)
Franz Michael Koller (assigned by the Central Employee Council)
Walter Zwiauer (assigned by the Central Employee Council)

Audit Committee

Christian Konrad (Chairman)
Herbert Schimetschek (until 19 May 2008)
Georg Winckler (since 19 May 2008)
Walter Rothensteiner
Heinz Kessler
Karl Waltle (until 19 May 2008)
Günther Reibersdorfer (since 19 May 2008)
Ewald Wetscherek

Doris Böhm (assigned by the Central Employee Council)
Franz Michael Koller (assigned by the Central Employee Council)
Walter Zwiauer (assigned by the Central Employee Council)

Investment Committee

Erwin Hameseder (Chairman)
Konrad Fuchs (Vice Chairman)
Karl Waltle (until 19 May 2008)
Günther Reibersdorfer (since 19 May 2008)
Georg Winckler

Doris Böhm (assigned by the Central Employee Council)
Walter Zwiauer (assigned by the Central Employee Council)

Risk report

The nature of an insurance company is to take on risks in return for premium payments. However, these risks arising from the insurance business are only part of the risks which can arise within an insurance company. In additional to general technical risks, there are also financial, operational and management risks. The term external risks refers to those risks that cannot be influenced by the insurance business.

In order to identify, measure, aggregate and control all risks, a UNIQA risk management system was created which is in use in all operating companies of the UNIQA Group in Austria. All Group companies in which UNIQA has a participating interest of more than 50% have been integrated into this risk management process since the end of 2007.

The risk management process of the UNIQA Group is centrally controlled.

Each subsidiary has a responsible risk manager who operates the risk management process and reports to the Group risk management team.

The company's risk situation in terms of market risks, technical risks and operational risks is evaluated and reported on in the half-yearly report. Measures to minimise risks are developed on this basis of this report.

The Group's actuarial office/risk management team consolidates the results of the half-yearly risk assessment in a Group Risk Report, which is made available to the Group management for the purpose of controlling risk.

The UNIQA Group places particular emphasis on the topic of risk management and is preparing the Group for Solvency 2. In 2009, the future standard approach to calculating solvency capital (Quantitative Impact Study 4) will be calculated Group-wide within the scope of these activities and all of the Group's insurance companies will participate in this.

Management of actuarial and financial risks

1 Actuarial and financial risks

The risk of an insurance contract is the occurrence of the insured event. By definition the occurrence of this risk takes place by chance and is therefore unpredictable. Using the law of large numbers, the risk can be calculated for a sufficiently large insurance portfolio. The larger the portfolio consisting of similar insurance policies, the more accurately the result (loss) can be estimated. For this reason, insurance companies strive for growth.

Premiums earned (gross)	€ 000
2008	4,961,169
2007	4,489,647
2006	4,500,985
2005	4,354,341
2004	3,613,794
2003	3,016,185
2002	2,636,938
2001	2,636,777

The principle of insurance is built on the law of large numbers: only a few of those at risk will actually suffer a loss. For the individual, the occurrence of loss is uncertain; for the collective, however, it is largely determined. The loss-bearing and loss-free risks theoretically cancel each other out. The actuarial risk now exists in the danger that the actual claims for a certain period deviate from those expected. This risk can be divided into the chance risk, the change risk and the error risk.

The chance risk means that higher than expected losses can occur by pure chance. Amongst other things, the change risk means that unforeseen changes to the risk factors have an impact on the actual loss payments. The error risk comes about from deviations arising through incorrect assessment of the risk factors.

1.1 Property insurance

The discount given for household/own home, accident, motor vehicle liability and comprehensive insurance has been linked to risk and customer criteria since April 2007. The objective of this measure is for discounts offered outside of normal rates to be adapted to the risk situation and justified based on the risk level. The amount of the discount, linked to risk and customer criteria, is subject to an annual check.

Reinsurance policies reduce the retained earnings of the initial insurer and lead to a smoothing of results. On the one hand, they can lead to a reduction of the claim ratio in retained earnings in the event of extraordinary events; on the other, a good level of claims can worsen the claim ratio in retained earnings. The aim of an optimal reinsurance strategy is to find a structure that takes both of these points into consideration.

Claims ratio (gross)	%
2008	61.6
2007	68.1
2006	64.3
2005	66.7
2004	64.1
2003	68.9
2002	77.3
2001	73.7

With regard to unexpected claims, risk management makes assessments on elemental, major and cumulative losses in the areas of storms, floods and earthquakes that are based on accepted scenarios. Reinsurance contracts also considerably reduce the level at which any losses occur. Due to the possibility of the failure of reinsurers, the reinsurance structure of the UNIQA Group is described below.

For the exact determination of the reserve risk and premium risk, an internal model is implemented that indicates the risk based on the fundamental portfolio structure, the current reinsurance program and future developments. Detailed information regarding the future development of mass, major and catastrophic damages calculated based on historic data are used as the basis for this. This makes it possible to identify developments at an early point and take direct measures (structuring of premiums and scopes of coverage, adaptation of reinsurance structures) to minimise the risk and control financial results.

Excursus: Reinsurance

The total obligatory reinsurance requirement of operating UNIQA companies is covered with reinsurance policies at UNIQA Versicherungen AG or UNIQA Re. UNIQA Versicherungen AG in Vienna is the sole reinsurer of Austrian UNIQA companies, while UNIQA Re in Zurich act as sole risk bearer for UNIQA companies abroad. One exception is the cover against losses due to natural disasters suffered by Austrian companies. In this case, the Austrian companies assign claims to UNIQA Re.

Between 50% and 60% of the entire portfolio are covered by these reinsurance policies. Ratio figures, which reach between 25% and 90% depending upon the volatility of the respective insurance branch, are supplemented with excess loss policies. Two cumulative excess loss policies also exist which should cover major losses across the insurance branch ("umbrella") incurred through natural disasters (earthquakes, flooding, high water, storm, etc.)

In 2004, we created our own reinsurance line on a non-proportional basis for the large industrial business of all Group companies. This includes major risks in various branches of industrial insurance according to precise earnings limits and includes general liability insurance.

UNIQA Insurer AG and UNIQA Re pool the business acquired by the Group companies according to insurance branches and pass gross excess loss policies, which are supplemented by net ratios, on to international reinsurers as a "bouquet". The reinsurance structure, the conditions, the shares and all reinsurance partners in this bouquet are identical for both companies. The reinsurance policy is fully placed.

The effect of the reinsurance programme on the claim ratio in retained earnings can be seen in the following table:

Claims ratio (retained earnings)	%
2008	64.2
2007	67.6
2006	66.0
2005	68.0
2004	65.6
2003	69.8
2002	76.0
2001	73.0

The table below shows the reinsurance requirements for outstanding claims and incurred but not reported claims arranged according to ratings. This concerns the reinsurance business ceded by domestic subsidiaries and UNIQA Re from the property insurance lines to companies outside the Group. The cessions of international subsidiaries and the IWD portion of co-insurance are not included.

Rating	31 Dec. 2008 € 000
AAA	8,485
AA	105,188
A	78,917
BBB	72
Not rated	2,503

The creditworthiness of reinsurers is also very important, not least because of the long duration of claim settlement in the area of general liability insurance and motor vehicle liability insurance.

The problem of duration in reinsurance (initial insurance policies are often multi-year, while reinsurance policies are taken out for only one year) is primarily held in check by the reinsurance team, which controls this risk. Systematic analyses, supported by actuarial methods, are used to assess the appropriateness of the actuarial provisions.

In addition to the elemental lines, the commercial property business also includes liability and technical insurance. In the UNIQA Group, this is divided into three areas:

- Standardised bundled policies for small commercial businesses.
- Customised policies for medium-sized companies; however, the scope of coverage and exposure of these policies are such that they can be accepted decentrally in the Austrian regions and international subsidiaries.
- Large policies, or policies with a complicated scope of coverage, are decided on and arranged centrally both in Austria and for the international subsidiaries. These policies are selected according to quantitative criteria (e.g. €2 million insured sum in property insurance) as well as by content-based, qualitative criteria, such as asset damage coverage in the liability insurance.

Since 2004, the top risks (e.g. over €10.9 million probable maximum loss in property insurance) have been covered by our own, non-proportional reinsurance policy outside of the obligatory reinsurance. A team of experts at the International Desk in Vienna decides on the contribution to this policy for the entire Group.

In the property segment, major risks are evaluated for risk prior to acceptance and subsequently at regular intervals and documented in survey reports. In the liability insurance line, the portfolio for risks with high hazards is subject to permanent monitoring (e.g. planning risks and liability insurance in the medical segment).

The industry holdings of the international companies are regularly analysed for their exposure and composition (risk mix), and survey reports on the exposed risks are prepared.

1.2 Life insurance

The risk of an individual insurance contract lies in the occurrence of the insured event. The occurrence is considered random and therefore unpredictable. The insurance company takes on this risk for a corresponding premium paid by the policyholder. When calculating the premium, the actuary refers to the following carefully selected bases of calculation:

- Interest: The actuarial interest is set so low that it can be produced with certainty in each year.
- Mortality: The probabilities of dying are deliberately and carefully calculated for each type of insurance.
- Costs: The costs are calculated in such a way that the costs incurred by the policy can be permanently covered by the premium.

Carefully selecting the bases of calculation gives rise to scheduled profits, an appropriate amount of which is credited to the policyholders as part of profit sharing.

The calculation of the premium is also based on the acceptance of a large, homogenous inventory of independent risks, so that the randomness inherent in an individual insurance policy is balanced out by the law of large numbers.

The following risks exist for a life insurance company:

- The bases of calculation prove to be insufficient despite careful selection.
- Random fluctuations prove disadvantageous for the insurer.
- The policyholder exercises certain implicit options to his advantage.

The risks of the insurer can be roughly divided into actuarial and financial risks.

Capital and risk insurance

UNIQA's portfolio consists primarily of long-term insurance policies. Short-term assurances payable at death play a minor role.

In the following table, the number of insurance policies is divided by rate groups and insured sum categories; included here are the policies of the companies UNIQA Personenversicherung, Raiffeisen Versicherung, Salzburger Landes-Versicherung and CALL DIRECT Versicherung AG.

Number of insurance policies as at 31 Dec. 2008 Category[1]	Capital insurance	Retirement annuity	Risk insurance
€0 to €20,000	900,492	99,235	157,471
€20,000 to €40,000	175,680	39,779	38,244
€40,000 to €100,000	71,255	23,430	129,620
€100,000 to €200,000	8,127	4,749	67,917
More than €200,000	1,930	1,556	9,193

[1] Capital and risk insurance policies are based on the insured sum, for deferred pension annuities the redemption capital is included at maturity, for liquid pension annuities the category refers to the annuity.

Mortality

Insurance policies with an assurance character implicitly include a safety surcharge on the risk premium in that the premium calculation is based on an accounting table (the Austrian Mortality Table for 1990/92 or for 2000/02).

Using risk selection (health examinations) means that the mortality probabilities of the portfolio are consistently smaller than those of the overall population; in addition, the gradual advancement of mortality means that the real mortality probabilities are consistently smaller than the values shown in the accounting table.

Homogeneity and independence of insurance risks

An insurance company takes great pains to compose a portfolio of the most homogenous, independent risks possible, in accordance with the classic, deterministic approach to calculating premiums. Because this is virtually impossible in practice, a considerable risk arises for the insurer due to random fluctuations, in particular from the outbreak of epidemic illnesses, as not only could the calculated mortality probabilities prove to be too low, the independence of the risks can also no longer be assumed.

Cumulative risks contained in the portfolio can be reduced by using reinsurance contracts. As the first reinsurer, UNIQA Holding operates with a retained risk of €200,000 per insured life; the excesses are mostly reinsured with Swiss Re, Munich Re and Gen Re. A catastrophic excess (CAT-XL) contract is also held with Swiss Re, although it excludes losses resulting from epidemics.

Antiselection

The portfolios of Raiffeisen Versicherung AG and UNIQA Personenversicherung AG contain large inventories of risk insurance policies with a premium adjustment clause. This allows the insurer to raise the premiums in case of a (less probable) worsening of the mortality behaviour. However, this presents the danger of possible antiselection behaviour, meaning that policies for good risks tend to be terminated while worse ones remain in the portfolio.

Retirement annuities

Mortality

The reduction of mortality probabilities represents a large uncertainty for retirement annuities. The gradual advancement of mortality as a result of medical progress and changed lifestyles is virtually impossible to extrapolate.

Attempts to predict this effect were made when producing the generation tables. However, such tables only exist for the Austrian population, and this data cannot be applied to other countries. Moreover, the past shows that the effect of these changes was seriously underestimated so that subsequent reservations had to be made for retirement annuity contracts.

Antiselection

The right to choose annuity pensions for deferred retirement annuities also results in antiselection. Only those policyholders who feel very healthy choose the annuity payment; all others choose partial or full capital payment. In this way, the pension portfolio tends to consist of mostly healthier people, i.e. worse risks than the population average.

This phenomenon is countered by corresponding modifications to the retirement mortality tables. A further possibility exists in the requirement that the intention to exercise the right to choose annuity payments must be announced no later than one year in advance of the expiration.

Financial risks

The actuarial interest that may be used in the calculation for writing new business is based on the maximum interest rate ordinance and currently amounts to 1.75% per annum ("Lebensaktie", "Zukunftsplan") or 2.25% per annum (other life insurance policies). However, the portfolio also contains older contracts with actuarial interest of up to 4.0% per annum, while the average rate for the portfolio is 2.81%.

As these interest rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. As classic life insurance predominantly invests in interest bearing titles (loans, credits etc.), the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. The interest risk weighs especially heavily on retirement annuities, as these concern extremely long-term policies.

The interest risk functions in the following ways:

Investment and reinvestment risk

Premiums received in the future must be invested at an interest rate guaranteed at the time the policy was taken out. However, it is entirely possible that no corresponding titles are available at the time the premium is received. In the same way, future income must be reinvested at the actuarial interest rate.

Ratio of assets to liabilities

For practical reasons, the goal of duration matching cannot be fully achieved on the assets and liability side. The duration of the assets is 3.9 years, while for liabilities it is considerably longer. This creates a duration gap, which means that the ratio of assets to liabilities reduces as interest rates fall.

Value of implicit options
Life insurance policies contain implicit options that can be exercised by the policyholder. While the possibilities of partial or full buy-back or the partial or full release of premiums in fact represent financing options, these options are not necessarily exercised as a consequence of correct, financially rational decisions. However, in the case of a mass buy-back, e.g. due to an economic crisis, this represents a considerable risk to the insurance company.

The question of whether a capital or annuity option should be exercised is, in addition to subjective motives of the policyholder, also characterised by financially rational considerations; depending on the final interest level, a policyholder will opt for the capital or the annuity, so that these options represent a considerable (cash) value for the policyholder, and therefore a corresponding risk for the insurer.

The guarantee of an annuitising factor represents another financial risk. Here, the insurance company guarantees to annuitise a sum unknown in advance (namely the value of the fund shares at maturity or for classic life insurance the value of the insured sum including profit-sharing) in accordance with a mortality table (the risk involved is not exclusively financial) and an interest rate set at the time the policy is taken out.

Besides these technical and financial risks, the cost risk must also be specified. The insurer guarantees that it will deduct only the calculated costs for the entire term of the policy. The business risk here is that the cost premiums are insufficient (e.g. due to cost increases resulting from inflation).

1.3 Health insurance
Health insurance is a loss insurance which is calculated under consideration of biometric risks and is operated in Austria "depending on the type of life insurance". Terminations by the insurer are not possible except in the case of obligation violations by the insured. Premiums must therefore be calculated in such a way that the premiums are sufficient to cover the insurance benefits that generally increase with age, assuming probabilities that remain constant. The probabilities and cost structures can change frequently over time. For this reason, it is possible to adjust the premiums for health insurance as necessary to the changed bases of calculation.

When taking on risks, the existing risk of the individual is also evaluated. If it is established that an illness already exists for which the cost risk is expected to be higher than for the calculated portfolio, then either this illness is excluded from the policy, an adequate risk surcharge is demanded or the risk is not underwritten.

In health insurance, assurance cover ("ageing provision") is built up through calculation according to the "type of life insurance" and reduced again in later years because this is used to finance an ever larger part of the benefits that increase with age.

The actuarial interest rate for this actuarial provision is a prudent 3%, so that the investment risk of health insurance in Austria is relatively low. If it were expected, for instance, that 3% could no longer be obtained in future, this fact would have to be taken into account for future benefits and included in the premium adjustment.

The operational risks are extensively determined by the IT architecture and by errors that can arise from the business processes (policy formulation, risk assessment and benefit calculation). These risks should be kept to a minimum by using risk management.

The legal risks arise primarily from the effects that changes to legislation have on the existing private health insurance business model. This includes, in particular, changes to the legal framework that make it harder or impossible to adapt to changed circumstances or that sharply reduce the income opportunities. Developments in this area will be observed by the insurance association, and an attempt will be made where necessary to react to negative developments from the perspective of the private health insurer.

The EU Directive on the equal treatment of men and women in insurance, which is implemented in Austria by the Insurance Amendment Act 2006 (VersRÄG 2006), was also taken into account in the calculation of premiums in the last quarter of 2007. As the differences between men and women can be proven, only the childbirth costs had to be shared between men and women; these costs were explicitly defined in the EU Directive and VersRÄG as an exception to the risk-based calculation. No negative effects have been observed on business results to date.

2 Financial risks
For numerous insurance products, a calculatory interest rate is taken into consideration for the investment period between expected deposit and expected payout. The risk therefore lies in a deviation between the expected or calculated interest and the return on capital actually achieved on the capital market. The main components of these capital market risks are:

- Interest rate change risk: possible losses caused by a change in the level and term-based structure of interest rates
- The share risk: possible losses due to price performance on the stock markets caused by macroeconomic and company-related changes
- The credit risk: possible losses caused by the inability to pay or the worsening creditworthiness of debtors or contractual partners
- The currency risk: possible losses caused by changes in exchange rates
- The liquidity risk: the danger of not having sufficient liquid funds on the date of scheduled payout

Model risks also exist with regard to the valuation of ABS securities ("Asset-Backed Securities") and the valuation of the participating interest in STRABAG SE; these are presented as an excursus to the risk report.

The financial risks have different weightings and various degrees of seriousness, depending on the investment structure. However, the effects of the financial risks on the value of the investments also influence the level of technical liabilities to some extent. There is therefore a partial dependence between the growth of assets and debts from insurance policies. UNIQA monitors the income expectations and risks of assets and liabilities arising from insurance policies as part of an Asset-Liability Management (ALM) process. The aim is to achieve a return on capital that is sustainably higher than the updating of the technical liabilities while retaining the greatest possible security. Here, assets and debts are allocated to different accounting groups. The following table shows the main accounting groups generated by the various product categories.

Investments	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	13,346,319	13,779,745
Long-term unit-linked and index-linked life insurance policies	2,642,462	2,470,340
Long-term health insurance policies	2,409,993	2,245,370
Short-term property and casualty insurance policies	3,511,571	3,695,766
Total	**21,910,345**	**22,191,221**

These values refer to the following balance sheet items:

A.I. Self-used land and buildings
B. Land and buildings held as financial investments
D. Shares in associated companies
E. Investments
F. Investments in unit-linked and index-linked life insurance policies
L. Liquid funds

Technical provisions and liabilities (retained)	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	13,377,737	13,463,170
Long-term unit-linked and index-linked life insurance policies	2,579,997	2,412,937
Long-term health insurance policies	2,463,975	2,347,571
Short-term property and casualty insurance policies	2,252,755	2,097,404
Total	20,674,464	20,321,082

These values refer to the following balance sheet items:

C. Technical provisions
D. Technical provisions in unit-linked and index-linked life insurance policies
G.I. Reinsurance liabilities (only deposit liabilities held under reinsurance business ceded)
G. Share of reinsurance in the technical provisions
H. Share of reinsurance in technical provisions in unit-linked and index-linked life insurance policies

2.1 Interest rate change risk

Due to the investment structure and the high proportion of interest bearing titles, the interest rate risk forms a very important component of the financial risks. The following table shows the interest-bearing securities and the average interest coupons arranged by the most important investment categories and their average coupon interest rate on the reporting date.

Average interest coupon	€		USD		Other	
%	2008	2007	2008	2007	2008	2007
Fixed interest securities						
High-grade loans	4.30	4.05	5.31	5.22	5.22	5.31
Bank/company loans	5.16	4.74	8.51	7.75	3.87	3.80
Emerging markets loans	6.82	7.06	13.33	6.29	13.59	7.87
High-yield loans	7.10	6.68	12.97	8.71	7.98	7.92
Other investments	3.27	3.87	–	–	3.40	7.90
Fixed interest liabilities						
Subordinated liabilities	5.34	5.34				
Guaranteed interest life insurance	2.81	2.86				
Debenture bonds	4.00	4.00				

Long-term policies and life insurance policies with guaranteed interest and profit sharing

Insurance policies with guaranteed interest and additional profit sharing contain the risk that the guaranteed interest rate will not be achieved over a sustained period of time. Capital income produced over and above the guaranteed interest rate will be shared between the policyholder and the insurance company, with the policyholder receiving an appropriate share of the profit. The following table shows the comparison of assets and debts for such insurance policies.

Investments for long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Annuities	7,557,839	9,931,822
Shares	313,784	1,170,286
Alternatives	805,285	867,749
Holdings	577,484	82,040
Loans	2,129,470	232,801
Real estate	762,866	686,939
Liquidity	1,083,197	701,803
Deposits receivable	116,394	106,306
Total	**13,346,319**	**13,779,745**
Difference between book value and market value		
Real estate	394,791	168,648
Loans	–193,171	822

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Actuarial provision	12,902,136	12,614,575
Provision for profit-unrelated premium refunds	86,899	75
Provision for profit-related premium refunds and profit sharing	731	323,478
Other technical provisions	59,558	18,004
Provision for outstanding claims	24,532	106,159
Deposits payable	422,997	400,879
Total	**13,377,737**	**13,463,170**

The following table shows the structure of the remaining terms of interest bearing securities and loans.

Remaining term	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Up to 1 year	832,864	828,204
Of more than 1 year up to 3 years	1,809,756	1,226,330
Of more than 3 years up to 5 years	1,100,915	1,154,581
Of more than 5 years up to 7 years	1,273,377	1,629,882
Of more than 7 years up to 10 years	2,013,252	2,228,364
Of more than 10 years up to 15 years	1,089,007	1,063,760
More than 15 years	1,568,138	2,033,502
Total	9,687,309	10,164,623

The capital-weighted average remaining term of technical liabilities is around 8.2 years (2007: 8.3 years).

Long-term unit-linked and index-linked life insurance policies

In the segment of unit-linked and index-linked life insurance, the interest income and all fluctuations in value of the dedicated investments are reflected in the technical provisions. There is therefore no financial risk from the point of view of the insurer. The following table shows the investment structure of financial investments that are used to cover the technical liabilities arising from unit-linked and index-linked life insurance policies.

Investments in unit-linked and index-linked life insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Share-based funds	555,066	825,456
Bond funds	1,970,756	1,551,188
Liquidity	101,294	92,882
Other investments	15,347	814
Total	2,642,462	2,470,340

Long-term health insurance policies

The actuarial interest rate for the actuarial provision in health insurance lines, which is selected depending on the type of life insurance, is 3%. However, this interest rate is not guaranteed and can, upon presentation of proof to the insurance supervisory authority, be reduced to a lower capital income that may be expected. The following table shows the investment structure available to cover insurance liabilities.

Investments for long-term health insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Annuities	1,055,277	1,130,606
Shares	58,456	191,601
Alternatives	109,241	111,703
Holdings	110,545	65,812
Loans	555,465	332,223
Real estate	199,048	193,687
Liquidity	321,961	219,737
Total	2,409,993	2,245,370
Difference between book value and market value		
Real estate	111,941	259,996
Loans	–19,156	–2,376

Provisions and liabilities from long-term health insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Actuarial provision	13,614	2,098,989
Provision for profit-unrelated premium refunds	2,225,819	22,199
Provision for profit-related premium refunds or profit sharing	156,396	58,904
Other technical provisions	19,477	694
Provision for unearned premiums	46,529	13,395
Provision for outstanding claims	564	151,683
Deposits payable	1,576	1,708
Total	2,463,975	2,347,571

Property and casualty insurance policies

Most property/casualty insurance policies are short-term. The technical provisions are not discounted, meaning that no interest is calculated for the short-term investment. The average terms of interest bearing securities and loans invested to cover technical provisions are shown in the following table:

Remaining term	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Up to 1 year	184,216	162,102
More than 1 year up to 3 years	299,698	276,714
More than 3 years up to 5 years	373,621	223,488
More than 5 years up to 7 years	334,836	521,462
More than 7 years up to 10 years	367,359	298,433
More than 10 years up to 15 years	111,648	128,853
More than 15 years	162,944	157,516
Total	1,834,322	1,768,569

The investment structure in the property and casualty insurance is as follows.

Investments for short-term property and casualty insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Annuities	1,317,379	1,351,113
Shares	237,170	179,428
Alternatives	60,720	67,429
Holdings	289,335	866,147
Loans	516,882	417,456
Real estate	457,081	426,685
Liquidity	619,993	374,906
Deposits receivable	13,011	12,602
Total	3,511,571	3,695,766
Difference between book value and market value		
Real estate	214,617	180,553
Loans	–604	–5,695

Provisions and liabilities from short-term property and casualty insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Provision for unearned premiums	481,171	408,688
Actuarial provision	42,283	44,482
Provision for outstanding claims	1,666,703	1,582,211
Provision for profit-unrelated premium refunds	25,702	25,591
Provision for profit-related premium refunds or profit sharing	7,800	7,315
Other technical provisions	18,827	16,765
Deposits payable	10,270	12,351
Total	2,252,755	2,097,404

The average policy term in property and casualty insurance is between three and five years.

2.2 Share risk

When investing in stock markets, the risk is diversified by using various management styles (total return, benchmark-oriented or value growth approach, fundamental or industry-/region-specific title selection). For the purpose of securing the investment, the effective investment ratio is controlled through the use of derivative financial instruments. The following table shows the investment structure of the share portfolios by asset classes:

Share portfolio composition	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Shares in Europe	186,693	623,775
Shares in America	9,049	65,374
Shares in Asia	3,890	187,428
Shares international[1]	1,457	3,089
Shares in emerging markets	6,708	127,480
Shares total return[2]	171,959	496,507
Other shares	229,592	37,662
Total	**609,348**	**1,541,315**

[1] Share-based funds with globally diversified investments.
[2] Share-based funds with the management goal of achieving an absolute return by including less risky investments (liquidity, bonds) in difficult market phases.

2.3 Credit risk

When investing in securities, we invest in debt securities of varying quality, taking into consideration the yield prospects and risks. The following table shows the quality structure of fixed-interest investments.

Rating	31 Dec. 2008 € 000	31 Dec. 2007 € 000
AAA	3,447,058	3,345,244
AA	2,942,667	3,600,801
A	2,908,069	2,852,518
BBB	1,762,681	975,652
BB	793,953	976,920
B	76,110	424,227
CCC	20,645	30,366
Not rated	82,077	207,813
Total	**12,033,260**	**12,413,541**

The values as at 31 December 2008 also include the securities reclassified to the category of loans in the 3rd quarter with a value of €2,102,704,000.

2.4 Currency risk

The UNIQA Group invests in securities in a wide range of currencies. Although the insurance business is operated in different countries, the foreign currency risks of the investments do not always correspond to the currency risks of the technical provisions and liabilities. The most significant currency risk is in USD. The following table shows a breakdown of assets and debts by currency.

31 Dec. 2008 € 000	€	USD	Other	Total
Assets				
Investments	19,862,084	442,885	1,605,376	21,910,345
Other tangible assets	97,421		15,991	113,412
Intangible assets	1,326,277		81,119	1,407,396
Share of reinsurance in the technical provisions	1,043,733		99,717	1,143,450
Other assets	806,685		248,781	1,055,466
Total assets	**23,136,200**	**442,885**	**2,050,984**	**25,630,069**
Provisions and liabilities				
Subordinated liabilities	575,000		5,544	580,544
Technical provisions	19,627,159		1,373,432	21,000,591
Other provisions	608,255		36,142	644,397
Liabilities	1,773,051		172,709	1,945,760
Total liabilities	**22,583,464**		**1,587,828**	**24,171,292**

31 Dec. 2007 € 000	€	USD	Other	Total
Assets				
Investments	20,133,079	233,523	1,824,619	22,191,221
Other tangible assets	125,686		12,345	138,030
Intangible assets	1,123,946		82,246	1,206,193
Share of reinsurance in the technical provisions	1,044,013		74,521	1,118,534
Other assets	771,964		162,721	934,685
Total assets	**23,198,688**	**233,523**	**2,156,452**	**25,588,664**
Provisions and liabilities				
Subordinated liabilities	575,000			575,000
Technical provisions	19,552,675		1,125,136	20,677,811
Other provisions	679,162		24,651	703,813
Liabilities	1,966,855		132,962	2,099,817
Total liabilities	**22,773,693**		**1,282,748**	**24,056,441**

The fair value of securities investments in USD amounted to €1,347 million as at 31 December 2008. The exchange rate risk was reduced using derivative financial instruments to €443 million, while the safeguard ratio was 67.1%. The safeguard was maintained in a range of between 63% and 93% during the financial year.

2.5 Liquidity risk

The UNIQA Group must satisfy its payment obligations on a daily basis. For this reason, a precise liquidity schedule for the immediately following months is used, and a minimum liquidity holding is defined by the Management Board and is available as a cash reserve on a daily basis. In addition, a majority of the securities portfolio is listed on liquid stock exchanges and can be sold quickly in the case of liquidity burdens.

Additional underwriting obligations exist for private equity investments in the amount of €206.7 million. Obligations of €30.0 million result from multitranche loans.

2.6 Sensitivities

The risk management for investments is done in a structured investment process in which the various market risks are controlled at the level of the strategic asset allocation with tactical weighting of the individual asset classes based on market opinion and in the form of timing and selection decisions. In particular, stress tests and sensitivity analyses are used as key figures for measuring, observing and actively controlling the risk.

The table below shows the most important market risks in the form of key sensitivity figures; the information is presented as available on the reporting date, meaning that only rough figures can be offered for future losses of fair value. The key figures are calculated theoretically on the basis of actuarial principles and do not take into consideration any diversification effects between the individual market risks or counter-controlled measures taken in the various market scenarios.

Interest rate change risk	31 Dec. 2008		31 Dec. 2007	
€ 000	+100 basis points	–100 basis points	+100 basis points	–100 basis points
High-grade loans	–253,473	266,813	–235,989	248,409
Bank/company loans	–78,404	82,531	–120,139	126,462
Emerging markets loans	–22,902	24,108	–42,859	45,114
High-yield loans	–1,174	1,236	–2,862	3,013
Total	**–355,953**	**374,688**	**–401,849**	**422,998**

Share risk	31 Dec. 2008		31 Dec. 2007	
€ 000	+10%	–10%	+10%	–10%
Shares in Europe	17,607	–17,607	57,295	–57,295
Shares in America	651	–651	8,717	–8,717
Shares in Asia	1,518	–1,518	19,770	–19,770
International shares	1,117	–1,117	3,579	–3,579
Shares in emerging markets	920	–920	12,848	–12,848
Shares total return	15,897	–15,897	47,879	–47,879
Derivative financial instruments and other shares	4,386	–4,581	2,729	–2,084
Total	**42,096**	**–42,291**	**152,817**	**–152,172**

Currency risk	31 Dec. 2008		31 Dec. 2007	
€ 000	+10%	–10%	+10%	–10%
€	0	0	0	0
USD	46,670	–46,670	23,837	–23,837
Other	138,833	–138,833	153,465	–153,465
Total	**185,503**	**–185,503**	**177,302**	**–177,302**

Quality risk		31 Dec. 2008		31 Dec. 2007	
€ 000	Change to spread	+	–	+	–
AAA	0 basis points	0	0	0	0
AA	25 basis points	–21,193	21,193	–38,845	38,845
A	50 basis points	–64,090	64,090	–68,413	68,413
BAA	75 basis points	–54,524	54,524	–45,329	45,329
BA	100 basis points	–37,323	37,323	–46,665	46,665
B	125 basis points	–2,102	2,102	–24,830	24,830
CAA	150 basis points	–805	805	–1,376	1,376
Not rated	100 basis points	–4,331	4,331	–15,243	15,243
Total		**–184,368**	**184,368**	**–240,701**	**240,701**

2.7 Value at risk

The overall market risk of the investment portfolio is determined on the basis of the value-at-risk approach. The key figure is calculated for a confidence interval of 95% and a holding term of one year. The basic data is in the form of historical figures from the last calendar year with a balancing of the individual values (decay factor of 1).

The following table shows the key value-at-risk figures for the last financial year as reporting date values, annual average and maxima/minima for the year.

Value at risk	Total value at risk € 000	Share risk € 000	Currency risk € 000	Interest risk € 000	Diversification € 000
31 Dec. 2008	799,466	408,289	110,635	802,303	–521,760
31 Dec. 2007	522,197	311,935	97,538	470,240	–357,516
Lowest	477,435	242,436	65,550	495,363	–334,325
Average	576,302	302,386	93,945	609,306	–396,431
Highest	799,466	411,813	149,332	802,303	–539,782

Evaluation of the stock of Asset-Backed Securities
The UNIQA Group has placed a portion of its investments in Asset-Backed Securities (ABS).

The securities held in the direct portfolio and in the fund portfolio have been valued using a mark-to-model method. The proportion of investments valued under this model corresponds to 5.93% of total investments.

Within each of these variants, the individual transactions vary with regard to structure, risk profile, interest claims, rating and other parameters.

UNIQA is of the view that it will not be possible to ascertain a fair value for these securities on the basis of market prices or market transactions for the second half of 2008 due to the sharp fall in liquidity and the crisis on the financial markets. So-called market prices, insofar as these can even be identified in individual cases, pertain only in the rarest of cases to securities that are held directly in the portfolio, or even to securities from the same issuer, but rather generally to another paper that is similar in terms of rating and securitisation category. Direct transfer of such prices does not appropriately take into account either the complexity or the heterogeneity of the different structures. Moreover, the available prices regularly originate from distress sales, in which an investor is forced to sell larger quantities of similar securities under time pressure, mostly due to tight liquidity. For both reasons, UNIQA has decided to set the fair value of the specified papers by means of a model approach.

ABS papers are noted for being highly complex and are therefore extensively documented. Due to its longstanding activity in the area of securitisation, UNIQA has developed various models on its own or with others that permit analyses of high quality at acceptable expense.

The main parameters of the model for assessing the estimate of the future development of the (financial) economic environment are the speed of repayment, the failure frequency, the failure severity and the discount rate.

All parameters refer to the assets used to collateralise the transaction, i.e. to the corporate credits, bonds, preferential shares, etc.

UNIQA uses two objectively defined parameters to portray the failure risk when ascertaining the fair value. The future payments are calculated using the long-term average failure rates and severities.

The modelling system of Intex Solutions, Inc., which represents a widely accepted market standard, serves as the basis for the analysis. With regard to the choice of scenario, especially for the frequency of failure, information on corporate failures published by the rating agency Moody's Investors Service and extending back to 1920 is used. In addition, reference is made to the publicly accessible data of the Federal Deposit Insurance Corporation ("FDIC").

To this extent, the losses expected by a rational investor in a transaction over a longer period of holding are already taken into consideration when generating the payment streams. In order to take account of the current economic crisis, a risk premium was additionally added to the applied discount rate. This premium corresponds to the surcharge originally applied on execution of the individual transaction.

The sensitivity analysis of the ABS portfolio with regard to a rise in the failure rates in the investments underlying the ABS structures shows the following effects on the valuation of the ABS portfolio:

- **Scenario 1:** A 50% rise in the failure rates compared to the model leads to a drop of the model value by 8.03%.
- **Scenario 2:** A 100% rise in the failure rates compared to the model leads to a drop of the model value by 15.63%.

Valuation of STRABAG SE
UNIQA had a 13.74% share in STRABAG SE as at the reporting date of 31 December 2008 (31 Dec. 2007: 12.50%). Even following the entry of a new major investor, UNIQA retains a significant influence over the business activity of STRABAG SE. UNIQA is therefore continuing the participating interest in STRABAG SE as an associated share. The book value of the shareholding amounted to €531.7 million as at 31 December 2008. Following examination and valuation of the entire STRABAG SE group, UNIQA is convinced that the valuation of the investment is covered by the proportional value of STRAGAB SE and therefore no depreciation to the stock market price of the reporting date is required. The development of the group equity of STRAGAB SE anticipated by UNIQA also supports a similar conclusion.

It must be noted here that UNIQA assumes that STRABAG will benefit particularly well from the comprehensive stimulus packages due to a good equity base and broad diversification and will therefore survive the current economic crisis largely unscathed. Should this not turn out to be the case, depreciations will be required, which could lead to a reduction in the proportional equity of STRABAG SE.

Supplementary information on the Consolidated Balance Sheet

Development of asset items

	Balance sheet values previous year € 000	Currency differences € 000	Additions € 000	Unrealised capital gains and losses € 000
A. Tangible assets				
I. Self-used land and buildings	227,187	17	19,205	0
II. Other tangible assets				
1. Tangible assets	43,425	–272	15,807	0
2. Inventories	4,269	0	27	0
3. Other assets	90,336	0	0	0
Total A. II.	**138,030**	**–272**	**15,834**	**0**
Total A.	**365,218**	**–254**	**35,039**	**0**
B. Land and buildings held as financial investments	**1,014,259**	**–4,708**	**202,460**	**0**
C. Intangible assets				
I. Deferred acquisition costs	873,462	–2,129	224,958	0
II. Goodwill				
1. Purchased positive goodwill	0	0	4,696	0
2. Positive goodwill	226,632	–28,490	241,835	0
3. Value of insurance policies	66,826	26	0	0
Total C. II.	**293,458**	**–28,463**	**246,531**	**0**
III. Other intangible assets				
1. Self-produced software	3,796	0	0	0
2. Acquired intangible assets	35,477	–134	10,805	0
Total C. III.	**39,273**	**–134**	**10,805**	**0**
Total C.	**1,206,193**	**–30,726**	**482,293**	**0**
D. Shares in associated companies	**506,654**	**0**	**637,599**	**–3,943**
E. Investments				
I. Variable-yield interest securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	3,969,512	–223	1,194,596	–327,052
2. At fair value through profit or loss	975,953	0	985,409	0
Total E. I.	**4,945,465**	**–223**	**2,180,005**	**–327,052**
II. Fixed interest securities				
1. Fixed interest securities, held to maturity	0	0	450,000	0
2. Debt securities and other fixed interest securities	10,072,617	5,493	7,091,181	–22,962
3. At fair value through profit or loss	496,638	–1,582	59,336	0
Total E. II.	**10,569,255**	**3,911**	**7,600,517**	**–22,962**
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	14,495	0	305	0
b) Debt securities issued by and loans to participating interests	552	0	0	0
c) Mortgage loans	172,784	0	10,653	0
d) Loans and advance payments on policies	14,274	–12	3,588	0
e) Other loan receivables and registered bonds	780,374	1,829	183,851	20,811
Total E. III. 1.	**982,480**	**1,817**	**198,397**	**20,811**
2. Cash at credit institutions	649,313	–88	987,612	0
3. Deposits with ceding companies	118,908	0	13,217	0
Total E. III.	**1,750,700**	**1,729**	**1,199,225**	**20,811**
IV. Derivatives	60,228	4	36,126	0
Total E.	**17,325,648**	**5,421**	**11,015,873**	**–329,202**
F. Investments held on account and at risk of life insurance policyholders	**2,470,340**	**–6,017**	**2,095,966**	**–257,722**
Aggregate total	22,888,312	–36,284	14,469,231	–590,868

	Amortisation € 000	Transfers € 000	Disposals € 000	Appreciation € 000	Depreciation € 000	Book values financial year € 000
	0	353	18,801	0	7,397	220,565
	0	60	2,833	36	13,323	42,900
	0	0	0	0	0	4,296
	0	0	24,121	0	0	66,216
	0	**60**	**26,954**	**36**	**13,323**	**113,412**
	0	**414**	**45,754**	**36**	**20,720**	**333,977**
	0	**–316**	**32,653**	**0**	**31,409**	**1,147,634**
	0	0	0	0	224,288	872,003
	0	0	0	0	0	4,696
	0	0	0	0	0	439,977
	0	0	0	0	10,556	56,296
	0	**0**	**0**	**0**	**10,556**	**500,969**
	0	0	0	0	2,708	1,088
	0	–98	1,493	0	11,221	33,336
	0	**–98**	**1,493**	**0**	**13,929**	**34,424**
	0	**–98**	**1,493**	**0**	**248,773**	**1,407,396**
	0	**–29,051**	**287,805**	**29,219**	**1,290**	**851,382**
	0	29,759	2,313,992	32,781	342,225	2,243,156
	–1	0	829,275	124,501	307,589	948,998
	–1	**29,759**	**3,143,267**	**157,282**	**649,813**	**3,192,154**
	57	0	1,100	0	0	448,957
	–1,010	–2,132,581	7,055,598	65,574	262,441	7,760,272
	–211	0	242,631	13,523	53,605	271,468
	–1,164	**–2,132,581**	**7,299,329**	**79,097**	**316,046**	**8,480,698**
	0	0	14,309	0	0	491
	0	0	0	0	0	552
	0	–19,210	16,036	705	8,333	140,563
	0	0	4,180	0	0	13,670
	–67	2,148,808	82,709	958	7,315	3,046,540
	–67	**2,129,599**	**117,234**	**1,662**	**15,648**	**3,201,817**
	0	0	180,600	2,527	1,465	1,457,298
	0	0	2,720	0	0	129,405
	–67	**2,129,599**	**300,554**	**4,189**	**17,113**	**4,788,519**
	0	0	113,480	119,880	83,681	19,077
	–1,232	**26,776**	**10,856,630**	**360,448**	**1,066,654**	**16,480,448**
	65	**2,274**	**1,562,050**	**3,861**	**104,255**	**2,642,462**
	–1,166	0	12,786,386	393,563	1,473,101	22,863,300

1 | Self-used land and buildings

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Book values for		
Property and casualty insurance	102,560	95,344
Life insurance	12,261	13,276
Health insurance	105,744	118,568
	220,565	**227,187**
Market values for		
Property and casualty insurance	129,237	123,217
Life insurance	13,913	17,870
Health insurance	122,391	140,332
	265,542	**281,419**
Acquisition values	318,820	323,285
Cumulative depreciation	–98,255	–96,098
Book values	**220,565**	**227,187**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Self-used land and buildings	14,444	0

The market values are derived from expert reports.

2 | Other tangible assets

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Tangible assets	42,900	43,425
Inventories	4,296	4,269
Other assets	66,216	90,336
Total	**113,412**	**138,030**

Tangible assets Development in financial year	€ 000
Acquisition values as at 31 Dec. 2007	159,608
Cumulative depreciation up to 31 Dec. 2007	–116,183
Book values as at 31 Dec. 2007	**43,425**
Currency translation changes	–272
Additions	15,807
Disposals	–2,833
Transfers	60
Appreciation and depreciation	–13,288
Book values as at 31 Dec. 2008	**42,900**
Acquisition values as at 31 Dec. 2008	158,956
Cumulative depreciation up to 31 Dec. 2008	–116,057
Book values as at 31 Dec. 2008	**42,900**

Tangible assets refer mainly to office equipment. They are depreciated over a useful life of four to ten years. The amounts of depreciation are recognised in the income statement on the basis of allocated operating expenses under the items insurance benefits, operating expenses and net investment income.

Additions from company acquisitions	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Tangible assets	12,735	56

3 | Land and buildings held as financial investments

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Book values for		
Property and casualty insurance	354,144	329,023
Health insurance	186,666	179,540
Life insurance	606,823	505,697
	1,147,634	**1,014,259**
Market values for		
Property and casualty insurance	542,084	481,703
Health insurance	296,955	434,941
Life insurance	984,967	652,581
	1,824,006	**1,569,225**
Acquisition values	1,543,413	1,398,800
Cumulative depreciation	–395,779	–384,541
Book values	**1,147,634**	**1,014,259**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Land and buildings used by third parties	66,474	42,879

The market values are derived from expert reports.

	31 Dec. 2008 € 000
Change on impairment for current year	1,004
of which reallocation	1,004

4 | Deferred acquisition costs

	2008 € 000	2007 € 000
Property and casualty insurance		
As at 1 Jan.	**121,671**	**110,050**
Currency translation changes	–1,602	1,030
Changes to scope of consolidation	5,854	0
Capitalisation	68,044	60,583
Depreciation	–58,837	–49,992
As at 31 Dec.	**135,129**	**121,671**
Health insurance		
As at 1 Jan.	**214,665**	**213,952**
Currency translation changes	–26	1
Capitalisation	13,582	14,924
Interest surcharge	9,237	9,182
Depreciation	–21,602	–23,395
As at 31 Dec.	**215,855**	**214,665**
Life insurance		
As at 1 Jan.	**537,126**	**539,428**
Currency translation changes	–500	259
Capitalisation	113,082	104,734
Interest surcharge	15,159	18,750
Transfers	0	–10,126
Depreciation	–143,848	–115,920
As at 31 Dec.	**521,019**	**537,126**
Consolidated financial statements		
As at 1 Jan.	**873,462**	**863,430**
Currency translation changes	–2,129	1,291
Changes to scope of consolidation	5,854	0
Capitalisation	194,708	180,241
Interest surcharge	24,396	27,932
Transfers	0	–10,126
Depreciation	–224,288	–189,307
As at 31 Dec.	**872,003**	**873,462**

5 | Goodwill

	€ 000
Acquisition values as at 31 Dec. 2007	414,487
Cumulative depreciation up to 31 Dec. 2007	–121,029
Book values as at 31 Dec. 2007	**293,458**
Acquisition values as at 31 Dec. 2008	633,479
Cumulative depreciation up to 31 Dec. 2008	–132,510
Book values as at 31 Dec. 2008	**500,969**

Main additions: Credo-Classic and UNITA S.A. – see also the information on the scope of consolidation on pages 58/59.

	€ 000
Cumulative depreciation up to 31 Dec. 2008	132,510
of which relating to impairment	21,337
of which current depreciation	111,174

	31 Dec. 2008 € 000
Change in impairment for current year	0
of which reallocation	0

The above values include the goodwill as well as the purchase price paid for the total insurance policies acquired.

Company acquisitions 2008	Amounts placed at the time of acquisition € 000	Book values of the acquired companies € 000
Assets	**314,036**	**314,036**
Tangible assets	26,062	26,062
Land and buildings held as financial investments	66,417	66,417
Intangible assets	6,759	6,759
Shares in associated companies	0	0
Investments	78,251	78,251
Investments held on account and at risk of life insurance policyholders	0	0
Share of reinsurance in the technical provisions	36,267	36,267
Receivables incl. receivables under insurance business	86,964	86,964
Receivables from income tax	346	346
Deferred tax assets	0	0
Liquid funds	12,971	12,971
Equity and liabilities	**314,036**	**314,036**
Total equity	90,473	90,473
Subordinated liabilities	5,881	5,881
Technical provisions	145,550	145,550
Technical provisions held on account and at risk of life insurance policyholders	0	0
Financial liabilities	0	0
Other provisions	223	223
Payables and other liabilities	66,189	66,189
Liabilities from income tax	187	187
Deferred tax liabilities	5,429	5,429
Currency differences	105	105

6 | Other intangible assets

	Self-produced software € 000	Acquired intangible assets € 000
Acquisition values as at 31 Dec. 2007	35,536	154,575
Cumulative depreciation up to 31 Dec. 2007	–31,740	–119,098
Book values as at 31 Dec. 2007	**3,796**	**35,477**
Acquisition values as at 31 Dec. 2008	35,536	161,916
Cumulative depreciation up to 31 Dec. 2008	–34,448	–128,580
Book values as at 31 Dec. 2008	**1,088**	**33,336**

The other intangible assets are composed of:

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Computer software	30,129	34,361
Copyrights	0	30
Licences	1,271	1,844
Other intangible assets	3,024	3,039
	34,424	39,273

Useful life		
Self-produced software	2–5 years	2–5 years
Acquired intangible assets	2–5 years	2–5 years

The intangible assets include paid-for and self-produced computer software as well as licences and copyrights.

The depreciation of the other intangible assets was recognised in the income statement on the basis of allocated operating expenses under the items of insurance benefits, operating expenses and net investment income.

The intangible assets are depreciated using the straight-line method.

Additions from company acquisition	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Self-produced software	0	0
Acquired intangible assets	906	1

	2008 € 000
Research and development expenditures recorded as an expense during the period under review	5,512

7 | Shares in affiliated companies valued at equity

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Current market values for		
Shares in affiliated companies of minor importance[1)]	20,480	20,044
Shares in associated companies of minor importance	3,474	17,326
Book values for		
Shares in associated companies valued at equity	847,908	489,328
Equity for		
Shares in affiliated companies of minor importance	10,093	13,303
Annual net profit/loss for the year		
Shares in affiliated companies of minor importance	909	936

1) The shares in affiliated companies of minor importance are shown on the balance sheet as available for sale at any time under variable-yield securities (Assets E. I. 1.).

The increase in the shares in associated companies is mainly due to the increases in shares held in Leipnik-Lundenburger Invest Beteiligungs AG and STRABAG SE.

Shares in associated companies	31 Dec. 2008 € 000
Current market value of associated companies listed on a public stock exchange	547,132
Profits/losses for the period	29,488
Unrecorded, proportional loss, ongoing, if shares of loss are no longer recorded	0
Unrecorded, proportional loss, cumulative, if shares of loss are no longer recorded	0

8 | Fixed interest securities, held to maturity

	Book values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Corporate bonds of domestic financial institutions	340,000	0
Other securities	108,957	0
Total	**448,957**	**0**

For the issue of Rasperia Trading Ltd. shown under other securities, UNIQA was pledged 6,815,218 shares in STRABAG SE as collateral.

	Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Corporate bonds of domestic financial institutions	340,000	0
Other securities	110,000	0
Total	**450,000**	**0**

Contractual remaining term	Book values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Up to 1 year	108,957	0
More than 1 year up to 5 years	340,000	0
Total	**448,957**	**0**

Contractual remaining term	Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Up to 1 year	110,000	0
More than 1 year up to 5 years	340,000	0
Total	**450,000**	**0**

9 | Securities available for sale

Type of investment	Acquisition costs		Fluctuation in value not affecting income		Accumulated value adjustments		Foreign currency differences affecting income		Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Shares in affiliated companies	20,480	20,044	0	0	0	0	0	0	20,480	20,044
Shares	643,486	869,012	170,795	26,810	–185,297	–29,449	0	0	628,984	866,373
Equity funds	232,785	825,940	–15,611	–28,623	–28,767	–7,869	0	0	188,408	789,449
Debenture bonds not capital-guaranteed	381,800	648,635	6,011	35,675	–67,964	0	–11,529	–38,612	308,318	645,699
Other variable-yield securities	1,062,174	1,139,130	–142,860	–40,257	0	0	5,574	0	924,888	1,098,873
Participating interests and other investments	170,857	249,205	21,944	316,570	–20,724	–16,700	0	0	172,078	549,075
Fixed-interest securities	8,455,630	10,765,259	–181,654	–325,920	–372,951	–235,797	–140,753	–130,926	7,760,272	10,072,617
Total	**10,967,213**	**14,517,225**	**–141,374**	**–15,745**	**–675,702**	**–289,815**	**–146,708**	**–169,538**	**10,003,428**	**14,042,129**

The market values listed for participating interests contain participating interest valuations, resulting in an appreciation in the amount of €117,877,000 in 2007. In 2008, it was decided to sell this participating interest (shares of Raiffeisen Zentralbank AG) and a recategorisation to the Shares category was therefore carried out. The effect of the internal valuation results in a value reduction not affecting income in the amount of €133,311,000 in 2008.

Type of investment	Accumulated value adjustments		of which accumulated from previous years		of which from current year	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Shares in affiliated companies	0	0	0	0	0	0
Shares	–185,297	–29,449	30,019	4,534	–215,316	–33,982
Equity funds	–28,767	–7,869	7,486	–2,442	–36,252	–5,427
Debenture bonds not capital-guaranteed	–67,964	0	0	0	–67,964	0
Other variable-yield securities	0	0	0	–2,254	0	2,254
Participating interests and other investments	–20,724	–16,700	–16,483	–13,023	–4,241	–3,677
Fixed-interest securities	–372,951	–235,797	–215,425	–95,785	–157,526	–140,012
Total	**–675,702**	**–289,815**	**–194,404**	**–108,970**	**–481,298**	**–180,844**

Type of investment	Change in value adjustment current year	of which write-down/ write-up affecting income	of which changes due to disposal	Write-up of equity
	31 Dec. 2008 € 000	31 Dec. 2008 € 000	31 Dec. 2008 € 000	31 Dec. 2008 € 000
Shares in affiliated companies	0	0	0	0
Shares	–155,849	–215,316	59,467	0
Equity funds	–20,898	–36,252	15,354	0
Debenture bonds not capital-guaranteed	–67,964	–67,964	0	0
Other variable-yield securities	0	0	0	0
Participating interests and other investments	–4,023	–4,241	217	0
Fixed-interest securities	–137,154	–157,526	20,372	0
Total	**–385,888**	**–481,298**	**95,410**	**0**

Change in equity as at 31 Dec. 2008	Allocation not affecting income		Withdrawal[1] due to disposals affecting income		Change in unrealised gains/losses	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Other securities – available for sale[2]						
Gross	–329,202	–277,967	121,172	–94,982	–208,030	–372,949
Deferred tax	90,846	52,640	–39,476	–43,667	51,371	8,973
Deferred profit participation	–31,516	70,182	8,555	278,388	–22,961	348,570
Minority interests	5,298	2,656	1,386	15,274	6,684	17,930
Net	**–264,575**	**–152,488**	**91,638**	**155,013**	**–172,937**	**2,524**

[1] Withdrawals affecting the income statement due to disposals and impairments.
[2] Incl. reclassified securities.

Remaining contractual term	Acquisition costs		Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Infinite	33,595	24,002	31,819	24,637
Up to 1 year	1,720,797	2,702,664	1,492,853	2,499,159
More than 1 year up to 5 years	3,277,055	3,185,270	3,110,079	3,090,701
More than 5 years up to 10 years	3,102,648	4,554,791	2,857,533	4,389,110
More than 10 years	1,765,507	2,086,297	1,501,195	1,813,582
Total	9,899,603	12,553,024	8,993,478	11,817,188

The remaining maturities stipulated by contract refer to fixed-interest securities, other variable yield securities and bonds without capital guarantee.

Risk of default rating	31 Dec. 2008 € 000
Fixed-interest securities	
Rating AAA	3,047,365
Rating AA	1,530,123
Rating A	2,312,366
Rating BBB	1,126,691
Rating <BBB	764,584
Not assigned	212,349
Rating total of fixed-interest securities	8,993,478
Issuer countries	
Share securities	
IE, NL, UK, US	216,489
AT, BE, CH, DE, DK, FR, IT	530,725
ES, FI, NO, SE	3,724
Remaining EU	44,254
Other countries	127,257
Issuer countries total of share securities	**922,449**
Other shareholdings	67,021
Total variable-yield securities	989,470

10 | Derivative financial instruments

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Market values		
Share risk	8,428	14,793
Interest rate change risk	1,083	536
Currency risk	–23,134	38,847
Structured risk	25,613	–6,289
Total	11,990	47,887
Structured risk – of which:		
Share risk	–13,552	6,903
Interest rate change risk	16,808	–15,612
Currency risk	22,357	2,420
Credit risk	0	0
Balance sheet values		
Investments	19,077	60,228
Financial liabilities	–7,087	–12,342

11 | Loans

	Book values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Loans to affiliated companies	491	14,495
Loans to participating interests	552	552
Mortgage loans	140,563	172,784
Loans and advance payments on policies	13,670	14,274
Other loans	641,551	529,874
Registered bonds	302,285	250,500
Reclassified bonds	2,102,704	0
Total	3,201,817	982,480

On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-interest securities with a book value of €2,129,552,000 were reclassified. The corresponding revaluation reserve as at 30 June 2008 was €–98,208,000. The current market value as at 31 December 2008 is €1,889,108,000, which corresponds to a change in market value of €213,596,000 since 1 July 2008. In addition, an amortisation expense of €61,000 was posted in the income statement.

Remaining contractual term	Book values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Infinite	1,474	1,683
Up to 1 year	1,110,926	61,906
More than 1 year up to 5 years	740,557	224,772
More than 5 years up to 10 years	1,015,364	476,410
More than 10 years	333,495	217,709
Total	3,201,817	982,480

	Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Loans to affiliated companies	491	14,495
Loans to participating interests	552	552
Mortgage loans	140,563	172,784
Loans and advance payments on policies	13,670	14,274
Other loans	642,216	522,624
Registered bonds	302,285	250,500
Reclassified bonds	1,889,108	0
Total	2,988,886	975,230

Remaining contractual term	Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Infinite	1,474	1,683
Up to 1 year	979,700	61,733
More than 1 year up to 5 years	744,552	225,566
More than 5 years up to 10 years	933,883	470,536
More than 10 years	329,277	215,713
Total	2,988,886	975,230

12 | Other investments

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Deposits with credit institutions	1,457,298	649,313
Deposits with ceding companies	129,405	118,908
Total	1,586,702	768,221

13 | Receivables incl. receivables under insurance business

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
I. Reinsurance receivables		
1. Accounts receivable under reinsurance operations	46,766	67,795
	46,766	**67,795**
II. Other receivables		
Receivables under the insurance business		
1. from policyholders	277,514	219,145
2. from intermediaries	72,864	62,285
3. from insurance companies	4,985	6,828
	355,363	**288,258**
Other receivables		
Accrued interest and rent	239,538	205,764
Other tax refund claims	41,551	42,126
Receivables due from employees	3,552	3,614
Other receivables	195,117	155,437
	479,756	**406,940**
Total other receivables	**835,119**	**695,198**
Subtotal	**881,885**	**762,993**
of which receivables with a remaining term of		
up to 1 year	862,485	746,927
more than 1 year	19,376	16,067
	881,861	**762,993**
of which receivables with values not yet adjusted		
up to 3 months overdue	57,021	48,590
more than 3 months overdue	9,692	5,961
III. Other assets		
Accruals	50,432	43,383
	50,432	**43,383**
Total receivables incl. receivables under insurance business	**932,317**	**806,377**

14 | Receivables from income tax

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Receivables from income tax	54,077	51,253
of which receivables with a remaining term of		
up to 1 year	41,113	38,533
more than 1 year	12,964	12,720

15 | Deferred tax assets

Cause of origin	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Actuarial items	2,986	9,158
Social capital	32,228	45,901
Investments	1,276	2,636
Loss carried forward	6,986	3,514
Other	25,621	15,846
Total	**69,096**	**77,055**

16 | Subscribed capital

	31 Dec. 2008	31 Dec. 2007
Number of authorised and issued no-par shares	131,673,000	119,777,808
of which fully paid up	131,673,000	119,777,808

The subscribed capital and capital reserves correspond to values from the individual financial statements of UNIQA Versicherungen AG.

Unrealised capital gains and losses from the revaluation of investments available for sale affected the revaluation reserve, with deferred participation in profits (for life insurance) and deferred taxes taken into consideration.

In addition to the subscribed capital, UNIQA Versicherungen AG has at its disposal an authorised capital in the amount of €50 million. The Annual General Meeting of 23 May 2005 extended the authorisation of the Management Board of UNIQA Versicherungen AG to increase the share capital, with the approval of the Supervisory Board, up to and including 30 June 2010.

The share capital was increased in the financial year in partial use of this authorisation by €11,895,192,000 to €131,673,000,000 (2007: €119,777,808,000).

Furthermore, the Management Board made use of its authorisation to buy back shares in accordance with the resolution of the 9th Annual General Meeting of 19 May 2008 and resolved on 19 May 2008 that UNIQA would buy back its own shares. The Supervisory Board of the company confirmed the decision of the Management Board in its meeting on 19 May 2008. In this regard, the ongoing resale programme was ended. The programme for the repurchase of shares entered into effect on 22 May 2008. During the financial year, 469,650 of the company's own shares were acquired through the stock exchange.

Capital requirement

The business development due to organic growth and acquisitions influences the capital requirement of the UNIQA Group. In the context of Group controlling, the appropriate coverage of the solvency requirement on a consolidated basis is constantly monitored.

As at 31 December 2008, adjusted equity amounted to €1,694,988,000 (2007: €1,329,697,000). In ascertaining the adjusted equity, non-tangible economic goods (especially goodwill) and participating interests in banks and insurance companies are deducted from the equity and various forms of hybrid capital (especially supplementary capital) and latent reserves in investments (especially in real estate) are added. With a statutory requirement for adjusted equity of €1,028,992,000 (2007: €973,847,000), the statutory requirements were exceeded by €666,006,000 (2007: €355,851,000), resulting in a coverage rate of 164.7% (2007: 136.6%). With the change to Section 81h paragraph 2 of the Insurance Supervision Act, the volatility reserve was added as part of the available capital as of the 3rd quarter of 2008. This increased the adjusted equity by €203,473,000.

The adjusted equity base is ascertained on the basis of consolidated financial statements produced in accordance with Section 80b of the Insurance Supervision Act.

	2008 € 000	2007 € 000
Adjusted equity without deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,694,998	1,520,247
Adjusted equity with deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,491,525	1,329,697

At the reporting date, own shares are accounted for as follows:

	31 Dec. 2008	31 Dec. 2007
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs in € 000	10,857	2,561
Number of shares	819,650	350,000
Share of subscribed capital in %	0.68	0.29

In the performance figure "earnings per share", the consolidated profit is set against the average number of ordinary shares in circulation.

Earnings per share	2008	2007
Consolidated profit in € 000	53,308	247,103
of which accounts for ordinary shares in € 000	53,308	247,103
Own shares as at 31 Dec.	819,650	350,000
Average number of shares in circulation	121,064,534	119,427,808
Earnings per share in €[1]	0.44	2.07
Earnings before taxes per share in €[1]	0.63	2.67
Earnings per share[1], adjusted for goodwill amortisation in €	0.53	2.23
Profit from ordinary activities per share, adjusted for goodwill amortisation in €	0.83	3.01
Dividend per share[2]	0.40	0.50
Dividend payment in € 000[2]	52,341	59,714

[1] Calculated on the basis of the consolidated profit for the year.
[2] Subject to the decision to be taken in the AGM.

The diluted earnings per share is equal to the undiluted earnings per share in the reporting year and in the previous year.

Change in the tax amounts included in the equity without affecting income	31 Dec. 2008 € 000
Effective tax	0
Deferred tax	48,346
Total	48,346

17 | Minority interests

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
In revaluation reserve	–30,288	–14,796
In net income for the year	13,440	21,889
In other equity	210,956	188,749
Total	194,108	195,843

18 | Subordinated liabilities

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Supplementary capital	580,544	575,000

Partial debentures with a nominal value of €325 million for paid up supplementary capital were issued by Raiffeisen Versicherung AG in December 2002 and by UNIQA Versicherungen AG, UNIQA Personenversicherung AG and UNIQA Sachversicherung AG in July 2003 according to Section 73c paragraph 2 of the Austrian Insurance Supervision Act. The partial debentures are valid for an unlimited time period. An ordinary or extraordinary notice of redemption to the issuer is not possible for at least five years. Subject to coverage in the annual net profit before the issuer's movements in reserves, the interest to July 2013 will be 5.36%, except in the case of Raiffeisen Versicherung AG, where the interest to December 2012 will be 5.7%, plus a bonus interest payment of between 0.2% and 0.4% depending on sales profitability and the increase in premiums in comparison to the whole market.

In December 2006 UNIQA Versicherungen AG issued bearer debentures with a face value of €150 million for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervision Act. According to the conditions of the bearer debentures, the deposited capital of UNIQA Versicherungen AG is agreed to remain at the company's disposal for at least five years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.079%.

In January 2007, UNIQA Versicherungen AG issued additional bearer debentures with a face value of €100 million for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. According to the conditions of the bearer debentures, the deposited capital of UNIQA Versicherungen AG is agreed to remain at the company's disposal for at least five years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.342%.

19 | Unearned premiums

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Property and casualty insurance		
Gross	509,876	416,518
Reinsurers' share	–28,705	–7,830
	481,171	**408,688**
Health insurance		
Gross	13,685	13,467
Reinsurers' share	–71	–72
	13,614	**13,395**
Consolidated financial statements		
Gross	523,561	429,985
Reinsurers' share	–28,776	–7,902
Total (fully consolidated values)	494,785	422,083

20 | Actuarial provision

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Property and casualty insurance		
Gross	42,501	44,727
Reinsurers' share	–218	–244
	42,283	**44,482**
Health insurance		
Gross	2,227,395	2,100,697
Reinsurers' share	–1,576	–1,708
	2,225,819	**2,098,989**
Life insurance		
Gross	13,331,729	13,021,276
Reinsurers' share	–429,593	–406,701
	12,902,136	**12,614,575**
Consolidated financial statements		
Gross	15,601,625	15,166,700
Reinsurers' share	–431,387	–408,653
Total (fully consolidated values)	15,170,238	14,758,046

The interest rates used as an accounting basis were as follows:

For	Health insurance acc. to SFAS 60 %	Life insurance acc. to SFAS 120 %
2008		
For actuarial provision	4.50 or 5.50	1.75–4.00
For deferred acquisition costs	4.50 or 5.50	4.70
2007		
For actuarial provision	4.50 or 5.50	1.75–4.00
For deferred acquisition costs	4.50 or 5.50	4.70

21 | Provision for outstanding claims

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Property and casualty insurance		
Gross	1,948,996	1,921,373
Reinsurers' share	–282,293	–339,161
	1,666,703	**1,582,211**
Health insurance		
Gross	157,017	152,385
Reinsurers' share	–621	–702
	156,396	**151,683**
Life insurance		
Gross	98,937	117,913
Reinsurers' share	–12,038	–11,754
	86,899	**106,159**
Consolidated financial statements		
Gross	2,204,950	2,191,671
Reinsurers' share	–294,952	–351,617
Total (fully consolidated values)	**1,909,998**	**1,840,054**

The provision for outstanding claims developed in the property and casualty insurance as follows:

	2008 € 000	2007 € 000
1. Provisions for outstanding claims as at 1 Jan.		
a. Gross	1,921,373	1,770,640
b. Reinsurers' share	–339,161	–312,033
c. **Retention**	**1,582,211**	**1,458,607**
2. Plus (retained) claims expenditures		
a. Losses of the current year	1,519,780	1,285,246
b. Losses of the previous year	–130,572	–73,252
c. **Total**	**1,389,208**	**1,211,994**
3. Less (retained) losses paid		
a. Losses of the current year	–801,099	–642,759
b. Losses of the previous year	–520,701	–453,194
c. **Total**	**–1,321,800**	**–1,095,953**
4. Foreign currency translation	**–14,216**	**7,615**
5. Change in consolidation scope	**35,604**	**1,720**
6. Other changes	**–4,305**	**–1,771**
7. Provisions for outstanding claims as at 31 Dec.		
a. Gross	1,948,996	1,921,373
b. Reinsurers' share	–282,293	–339,161
c. **Retention**	**1,666,703**	**1,582,211**

Claims payments	2003 € 000	2004 € 000	2005 € 000	2006 € 000	2007 € 000	2008 € 000	Total € 000
Financial year	543,803	553,145	599,941	649,881	707,965	786,435	
1 year later	833,341	858,620	929,990	987,438	1,098,378		
2 years later	897,309	934,490	1,009,898	1,078,898			
3 years later	926,464	967,315	1,047,823				
4 years later	943,778	986,079					
5 years later	956,777						
Accumulated payments	956,777	986,079	1,047,823	1,078,898	1,098,378	786,435	
Estimated final claims payments	1,003,489	1,043,265	1,218,152	1,247,508	1,370,109	1,467,246	
Current balance sheet reserve	46,713	57,186	170,329	168,610	271,731	680,811	1,395,380
Balance sheet reserve for the claims years 2002 and before							440,202
							1,835,582
Plus other reserve components (internal claims regulation costs, etc.)							113,414
Provisions for outstanding claims (gross) as at 31 Dec. 2008							**1,948,996**

22 | Provision for premium refunds

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Property and casualty insurance		
Gross	33,568	33,271
Reinsurers' share	–65	–365
	33,502	**32,906**
Health insurance		
Gross	66,006	81,103
Reinsurers' share	0	0
	66,006	**81,103**
Life insurance		
Gross	–58,568	323,653
Reinsurers' share	-259	–100
	–58,827	**323,553**
Consolidated financial statements		
Gross	41,006	438,027
Reinsurers' share	–325	–465
Total (fully consolidated values)	**40,681**	**437,562**
of which profit-unrelated (retention)	45,911	47,865
of which profit-related (retention)	–5,229	389,696

Gross	31 Dec. 2008 € 000	31 Dec. 2007 € 000
a) Provision for profit-unrelated premium refunds	**46,135**	**48,231**
of which property and casualty insurance	25,768	25,957
of which health insurance	19,477	22,199
of which life insurance	890	75
b) Provision for profit-related premium refunds and/or policyholder profit participation	**211,545**	**271,588**
of which property and casualty insurance	7,800	7,315
of which health insurance	46,529	58,904
of which life insurance	157,216	205,370
Deferred profit participation	**–216,675**	**118,208**
Total (fully consolidated values)	**41,006**	**438,027**

Gross	2008 € 000	2007 € 000
a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
As at 1 Jan.	**319,819**	**387,165**
Changes for:		
other changes	–62,139	–67,346
As at 31 Dec.	**257,680**	**319,819**
b) Deferred profit participation		
As at 1 Jan.	**118,208**	**413,510**
Changes for:		
fluctuation in value, securities available for sale	22,961	–348,570
revaluations affecting income	–357,844	53,268
As at 31 Dec.	**–216,675**	**118,208**

The latent profit sharing was changed to an asset item in financial year 2008. On the basis of the business model used in life insurance and the management rules applied in the Group, this asset item will be reduced against the technical liabilities over the term of the policy. The appropriateness of the entire technical liability will also be regularly checked under a discounted cashflow model ("liability adequacy test").

23 | Actuarial provisions

Gross	Unearned premiums € 000	Actuarial provision € 000	Provision for outstanding claims € 000	Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and/or policyholder profit participation € 000	Other actuarial provisions € 000	Group total € 000
Property and casualty insurance							
As at 31 Dec. 2007	**416,518**	**44,727**	**1,921,373**	**25,957**	**7,315**	**19,974**	**2,435,863**
Exchange rate differences	–13,647	–274	–16,306	106	–1	–3	–30,126
Changes in consolidation scope	68,006		43,438			1,185	112,629
Portfolio changes	–26		–4,305			–214	–4,544
Additions		1,644		1,280	712	9,109	12,745
Disposals		–3,595		–1,575	–226	–5,557	–10,953
Premiums written	1,772,493						1,772,493
Premiums earned	–1,733,468						–1,733,468
Claims in reporting year			1,600,635				1,600,635
Claims payments in reporting year			–835,614				–835,614
Change in claims from previous years			–154,070				–154,070
Claims payments in previous years			–606,157				–606,157
As at 31 Dec. 2008	**509,876**	**42,501**	**1,948,996**	**25,768**	**7,800**	**24,494**	**2,559,435**
Health insurance							
As at 31 Dec. 2007	**13,467**	**2,100,697**	**152,385**	**22,199**	**58,904**	**694**	**2,348,345**
Exchange rate differences	–42	15	–88	–4		–1	–120
Changes in consolidation scope	566		191				757
Portfolio changes	–4		–27			–4	–35
Additions		150,664		4,482	2,625	10	157,781
Disposals		–23,980		–7,199	–15,000	–134	–46,314
Premiums written	793,842						793,842
Premiums earned	–794,145						–794,145
Claims in reporting year			649,538				649,538
Claims payments in reporting year			–514,418				–514,418
Change in claims from previous years			8,065				8,065
Claims payments in previous years			–138,628				–138,628
As at 31 Dec. 2008	**13,685**	**2,227,395**	**157,017**	**19,477**	**46,529**	**564**	**2,464,667**
Life insurance							
As at 31 Dec. 2007	**0**	**13,021,276**	**117,913**	**75**	**323,578**	**17,824**	**13,480,666**
Exchange rate differences		5,732	–78	–4	–464	52	5,238
Changes in consolidation scope							0
Portfolio changes		–49,045	4	286	1	3,265	–45,488
Additions		446,684		532	123,059	3,477	573,752
Disposals		–92,919			–505,632	–225	–598,776
Claims in reporting year			1,455,107				1,455,107
Claims payments in reporting year			–1,389,595				–1,389,595
Change in claims from previous years			34,881				34,881
Claims payments in previous years			–119,294				–119,294
As at 31 Dec. 2008	**0**	**13,331,729**	**98,937**	**890**	**–59,458**	**24,393**	**13,396,492**
Group total							
As at 31 Dec. 2007	**429,985**	**15,166,700**	**2,191,670**	**48,231**	**389,797**	**38,491**	**18,264,873**
Exchange rate differences	–13,689	5,473	–16,472	98	–465	48	–25,008
Changes in consolidation scope	68,571		43,630			1,185	113,386
Portfolio changes	–29	–49,045	–4,327	286	1	3,047	–50,067
Additions		598,992		6,295	126,396	12,596	744,279
Disposals		–120,494		–8,774	–520,858	–5,916	–656,042
Premiums written	2,566,335						2,566,335
Premiums earned	–2,527,612						–2,527,612
Claims in reporting year			3,705,280				3,705,280
Claims payments in reporting year			–2,739,627				–2,739,627
Change in claims from previous years			–111,125				–111,125
Claims payments in previous years			–864,079				–864,079
As at 31 Dec. 2008	**523,561**	**15,601,625**	**2,204,950**	**46,135**	**–5,129**	**49,451**	**18,420,594**

Reinsurers' share	Unearned premiums € 000	Actuarial provision € 000	Provision for outstanding claims € 000	Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and/or policyholder profit participation € 000	Other actuarial provisions € 000	Group total € 000
Property and casualty insurance							
As at 31 Dec. 2007	**7,830**	**244**	**339,161**	**365**	**0**	**3,209**	**350,810**
Exchange rate differences	–58	–12	–2,089			–75	–2,234
Changes in consolidation scope	19,288		7,834			521	27,644
Portfolio changes			–3,462				–3,462
Additions						2,091	2,091
Disposals		–14		–300		–78	–393
Premiums written	105,089						105,089
Premiums earned	–103,445						–103,445
Claims in reporting year			84,317				84,317
Claims payments in reporting year			–34,515				–34,515
Change in claims from previous years			–23,498				–23,498
Claims payments in previous years			–85,456				–85,456
As at 31 Dec. 2008	**28,705**	**218**	**282,293**	**65**	**0**	**5,668**	**316,949**
Health insurance							
As at 31 Dec. 2007	**72**	**1,708**	**702**	**0**	**0**	**0**	**2,482**
Exchange rate differences			–5				–5
Changes in consolidation scope	1						1
Portfolio changes							0
Additions							0
Disposals		–132					–132
Premiums written	557						557
Premiums earned	–559						–559
Claims in reporting year			187				187
Claims payments in reporting year			–203				–203
Change in claims from previous years			–6				–6
Claims payments in previous years			–54				–54
As at 31 Dec. 2008	**71**	**1,576**	**621**	**0**	**0**	**0**	**2,268**
Life insurance							
As at 31 Dec. 2007	**0**	**406,701**	**11,754**	**0**	**100**	**–180**	**418,374**
Exchange rate differences		10	–5				5
Changes in consolidation scope							0
Portfolio changes		4,329	–1,274				3,055
Additions		18,918		159		42	19,119
Disposals		–364					–364
Claims in reporting year			19,407				19,407
Claims payments in reporting year			–12,394				–12,394
Change in claims from previous years			–1,056				–1,056
Claims payments in previous years			–4,393				–4,393
As at 31 Dec. 2008	**0**	**429,593**	**12,038**	**159**	**100**	**–139**	**441,752**
Group total							
As at 31 Dec. 2007	**7,902**	**408,653**	**351,616**	**365**	**100**	**3,029**	**771,666**
Exchange rate differences	–58	–2	–2,099			–75	–2,234
Changes in consolidation scope	19,290		7,834			521	27,645
Portfolio changes		4,329	–4,736				–407
Additions		18,918		159		2,132	21,209
Disposals		–511		–300		–78	–889
Premiums written	105,646						105,646
Premiums earned	–104,004						–104,004
Claims in reporting year			103,911				103,911
Claims payments in reporting year			–47,111				–47,111
Change in claims from previous years			–24,559				–24,559
Claims payments in previous years			–89,904				–89,904
As at 31 Dec. 2008	**28,776**	**431,387**	**294,952**	**225**	**100**	**5,529**	**760,969**

Retention	Unearned premiums € 000	Actuarial provision € 000	Provision for outstanding claims € 000	Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and/or policyholder profit participation € 000	Other actuarial provisions € 000	Group total € 000
Property and casualty insurance							
As at 31 Dec. 2007	**408,688**	**44,482**	**1,582,211**	**25,591**	**7,315**	**16,765**	**2,085,053**
Exchange rate differences	–13,589	–262	–14,216	106	–1	72	–27,891
Changes in consolidation scope	48,717		35,604			664	84,985
Portfolio changes	–26		–843			–214	–1,083
Additions		1,644		1,280	712	7,018	10,655
Disposals		–3,581		–1,275	–226	–5,478	–10,560
Premiums written	1,667,403						1,667,403
Premiums earned	–1,630,023						–1,630,023
Claims in reporting year			1,516,318				1,516,318
Claims payments in reporting year			–801,099				–801,099
Change in claims from previous years			–130,572				–130,572
Claims payments in previous years			–520,701				–520,701
As at 31 Dec. 2008	**481,172**	**42,283**	**1,666,703**	**25,702**	**7,800**	**18,826**	**2,242,486**
Health insurance							
As at 31 Dec. 2007	**13,395**	**2,098,989**	**151,683**	**22,199**	**58,904**	**694**	**2,345,863**
Exchange rate differences	–42	15	–83	–4		–1	–115
Changes in consolidation scope	564		191				756
Portfolio changes	–4		–27			–4	–35
Additions		150,664		4,482	2,625	10	157,781
Disposals		–23,849		–7,199	–15,000	–134	–46,182
Premiums written	793,286						793,286
Premiums earned	–793,586						–793,586
Claims in reporting year			649,351				649,351
Claims payments in reporting year			–514,216				–514,216
Change in claims from previous years			8,070				8,070
Claims payments in previous years			–138,574				–138,574
As at 31 Dec. 2008	**13,614**	**2,225,819**	**156,396**	**19,477**	**46,529**	**564**	**2,462,399**
Life insurance							
As at 31 Dec. 2007	**0**	**12,614,575**	**106,159**	**75**	**323,478**	**18,004**	**13,062,292**
Exchange rate differences		5,722	–73	–4	–464	52	5,233
Changes in consolidation scope							0
Portfolio changes		–53,374	1,278	286	1	3,265	–48,543
Additions		427,766		373	123,059	3,436	554,634
Disposals		–92,554			–505,632	–225	–598,411
Claims in reporting year			1,435,700				1,435,700
Claims payments in reporting year			–1,377,202				–1,377,202
Change in claims from previous years			35,937				35,937
Claims payments in previous years			–114,900				–114,900
As at 31 Dec. 2008	**0**	**12,902,136**	**86,899**	**731**	**–59,558**	**24,532**	**12,954,740**
Group total							
As at 31 Dec. 2007	**422,083**	**14,758,046**	**1,840,054**	**47,866**	**389,697**	**35,462**	**17,493,208**
Exchange rate differences	–13,631	5,475	–14,373	98	–465	123	–22,773
Changes in consolidation scope	49,282		35,796			664	85,741
Portfolio changes	–29	–53,374	408	286	1	3,047	–49,660
Additions		580,075		6,135	126,396	10,464	723,069
Disposals		–119,984		–8,474	–520,858	–5,838	–655,153
Premiums written	2,460,689						2,460,689
Premiums earned	–2,423,609						–2,423,609
Claims in reporting year			3,601,369				3,601,369
Claims payments in reporting year			–2,692,516				–2,692,516
Change in claims from previous years			–86,565				–86,565
Claims payments in previous years			–774,175				–774,175
As at 31 Dec. 2008	**494,784**	**15,170,238**	**1,909,998**	**45,911**	**–5,229**	**43,923**	**17,659,624**

24 | Technical provisions held on account and at risk of life insurance policyholders

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Gross	2,579,997	2,412,937
Reinsurers' share	–382,480	–346,868
Total	**2,197,518**	**2,066,069**

As a general rule, the valuation of the technical provisions for unit- and index-linked life insurance policies corresponds to the investments in unit- and index-linked life insurance policies reported at current market values. The reinsurers' share is offset by deposits payable in the same amount.

25 | Liabilities from loans

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Liabilities under issued debenture bonds		
UNIQA Versicherungen AG, Vienna		
4.00%, €150 million, bond 2004/2009	150,000	150,000
Loan liabilities	39,053	35,900
up to 1 year	27	88
more than 1 year up to 5 years	10,483	6,969
more than 5 years	28,543	28,842
Total	**189,053**	**185,900**

26 | Provisions for pensions and similar commitments

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Provisions for pensions	316,784	383,543
Provision for severance payments	119,693	125,998
Total	**436,478**	**509,541**

	2008 € 000	2007 € 000
As at 1 Jan.	**509,541**	**542,418**
Changes from foreign currency translation	–246	15
Withdrawal for pension payments	–60,867	–29,705
Expenditure in the financial year	–11,950	–3,187
As at 31 Dec.	**436,478**	**509,541**

Active special policyholders with direct assurances to pension benefits, including members of the Management Board and leading executives in accordance with Section 80 paragraph 1 of the Stock Corporation Act, as well as active employees with direct assurances to pension benefits according to the "trade association recommendation for in-house and field sales staff" who approved the offer to transfer existing vested pension rights to ÖPAG Pensionskassen AG on the basis of concluded works agreements, are included in a contribution-based pension fund. The corresponding transfer amounts (the assurance cover) were paid to the ÖPAG Pensionskassen AG in 2008 in accordance with Section 48 of the Pension Fund Act. For the purpose of guaranteeing the level of the pension fund pension according to the previous direct assurances to pension benefits, those entitled to vested rights have a claim to payment of a (one-time) final pension fund contribution at the time of pension eligibility. No contributions are made for the benefit phase.

Calculation factors applied	
2008	
Technical rate of interest	6.00%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 2008 P – Pagler & Pagler/employees
2007	
Technical rate of interest	5.00%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 1999 P – Pagler & Pagler/employees

Specification of pension expenditures for pensions and similar commitments included in the income statement	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Current service cost	14,371	16,929
Interest cost	25,447	24,434
Actuarial profit and loss	–51,738	–44,737
Income and expenditures from budget changes	–29	188
Total	**–11,950**	**–3,187**

Under the contribution-orientated company pension scheme, the employer pays the fixed amounts into company pension funds. The employer has satisfied its obligation by making these contributions.

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Contributions to company pension funds	1,318	1,134

27 | Other provisions

	Balance sheet figures previous year € 000	Currency translation changes € 000	Change in consolidation scope € 000	Utilisation € 000	Reversals € 000	Reclassifications € 000	Additions € 000	Balance sheet figures financial year € 000
Provisions for unconsumed holidays	35,242	2	–66	–1,583	–73	0	3,458	36,980
Provisions for anniversary payments	14,959	0	0	–23	–596	0	429	14,769
	50,201	**2**	**–66**	**–1,606**	**–669**	**0**	**3,886**	**51,748**
Other personnel provisions	16,209	32	31	–4,428	–7,234	0	10,925	15,534
Provisions for customer relations and marketing	31,365	–104	0	–27,767	–2,172	0	30,783	32,106
Provision for variable components of remuneration	16,193	15	–231	–14,726	–1,260	0	16,081	16,073
Provision for legal and consulting expenses	4,998	6	1	–3,723	–350	0	3,400	4,332
Provision for premium adjustment from reinsurance contracts	10,675	235	0	–8,923	182	0	14,829	16,998
Provision for portfolio maintenance commission	2,535	–5	0	–2,015	–381	0	3,690	3,824
Other provisions	62,096	–225	–75	–33,287	–16,674	0	55,470	67,304
	144,071	**–46**	**–274**	**–94,869**	**–27,889**	**0**	**135,177**	**156,171**
Total	**194,272**	**–44**	**–340**	**–96,475**	**–28,558**	**0**	**139,063**	**207,919**

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Other provisions[1] with a high probability of utilisation (more than 90%)		
in up to 1 year	73,701	72,351
in more than 1 year up to 5 years	4,532	3,735
in more than 5 years	9,310	10,408
	87,543	**86,494**
Other provisions[1] with a lower probability of consumption (less than 90%)		
in up to 1 year	64,736	55,629
in more than 1 year up to 5 years	3,618	1,621
in more than 5 years	274	327
	68,628	**57,577**
Total	**156,171**	**144,071**

[1] Excl. unconsumed holidays and anniversary benefits.

28 | Payables and other liabilities

		31 Dec. 2008 € 000	31 Dec. 2007 € 000
I.	**Reinsurance liabilities**		
	1. Deposits held under reinsurance business ceded	817,323	761,805
	2. Accounts payable under reinsurance operations	51,934	34,975
		869,258	**796,780**
II.	**Other liabilities**		
	Liabilities under insurance business		
	Liabilities under direct insurance business		
	to policyholders	128,245	139,318
	to intermediaries	93,026	123,603
	to insurance companies	8,515	8,791
		229,786	**271,712**
	Liabilities to credit institutions	**4,071**	**3,582**
	Other liabilities	**333,272**	**445,484**
	of which for taxes	48,821	46,379
	of which for social security	10,370	10,381
	of which from fund consolidation	142,560	260,874
	Total other liabilities	**567,129**	**720,778**
Subtotal		**1,436,387**	**1,517,558**
	of which liabilities with a remaining term of		
	up to 1 year	766,578	885,731
	more than 1 year up to 5 years	6,997	9,053
	more than 5 years	662,812	622,774
		1,436,387	**1,517,558**
III.	**Other liabilities**		
	Deferred income	**11,122**	**9,483**
Total payables and other liabilities		**1,447,509**	**1,527,041**

The item “Deferred income” basically comprises the balance of the deferred income regarding the indirect business settlement.

29 | Liabilities from income tax

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Liabilities from income tax	**57,294**	**41,618**
of which liabilities with a remaining term of		
up to 1 year	2,423	3,853
more than 1 year up to 5 years	54,871	37,281
more than 5 years	0	483

30 | Deferred tax liabilities

Cause of origin	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Actuarial items	172,747	142,052
Untaxed reserves	25,895	27,385
Shares in affiliated companies	28,425	28,425
Investments	2,702	120,952
Other	15,072	14,101
Total	**244,841**	**332,916**
of which not affecting income	6,891	55,238

Notes to the Consolidated Income Statement

31 | Premiums written

Direct business	2008 € 000	2007 € 000
Property and casualty insurance	2,363,371	2,157,697
Health insurance	947,151	907,375
Life insurance	1,626,169	1,393,344
Total (fully consolidated values)	**4,936,692**	**4,458,416**
Of which written in:		
Austria	3,005,433	3,036,834
other member states of the EU and other signatory states of the Treaty on the European Economic Area	1,684,410	1,271,167
other countries	246,849	150,415
Total (fully consolidated values)	4,936,692	4,458,416

Indirect business	2008 € 000	2007 € 000
Property and casualty insurance	38,107	40,052
Health insurance	420	384
Life insurance	27,144	29,037
Total (fully consolidated values)	65,672	69,473

	2008 € 000	2007 € 000
Total (fully consolidated values)	5,002,364	4,527,889

Premiums written in property and casualty insurance	2008 € 000	2007 € 000
Direct business		
Fire and business interruption insurance	198,175	179,233
Household insurance	177,946	166,501
Other property insurance	223,432	203,727
Motor TPL insurance	594,114	554,404
Other motor insurance	448,189	373,768
Casualty insurance	259,533	240,664
Liability insurance	229,254	219,831
Legal expenses insurance	54,084	49,568
Marine, aviation and transport insurance	108,659	102,136
Other insurance	69,985	67,865
Total	**2,363,371**	**2,157,697**
Indirect business		
Marine, aviation and transport insurance	2,856	2,407
Other insurance	35,252	37,645
Total	**38,107**	**40,052**
Total direct and indirect business (fully consolidated values)	2,401,479	2,197,749

Reinsurance premiums ceded	2008 € 000	2007 € 000
Property and casualty insurance	149,660	307,547
Health insurance	1,461	1,397
Life insurance	79,833	79,505
Total (fully consolidated values)	230,954	388,449

The decrease in issued reinsurance premiums is due to the termination of the quota agreements on 31 December 2007.

32 | Premiums earned

	2008 € 000	2007 € 000
Property and casualty insurance	**2,213,783**	**1,858,355**
Gross	2,363,326	2,160,721
Reinsurers' share	–149,542	–302,366
Health insurance	**946,419**	**905,623**
Gross	947,882	907,028
Reinsurers' share	–1,463	–1,405
Life insurance	**1,570,170**	**1,342,399**
Gross	1,649,961	1,421,897
Reinsurers' share	–79,791	–79,498
Total (fully consolidated values)	4,730,372	4,106,377

Premiums earned in indirect business	2008 € 000	2007 € 000
posted immediately	10,004	10,457
posted after up to 1 year	28,022	29,512
posted after more than 1 year	0	0
Property and casualty insurance	**38,026**	**39,969**
posted immediately	420	384
posted after up to 1 year	0	0
posted after more than 1 year	0	0
Health insurance	**420**	**384**
posted immediately	3,859	4,131
posted after up to 1 year	23,285	24,906
posted after more than 1 year	0	0
Life insurance	**27,144**	**29,037**
Total (fully consolidated values)	65,590	69,391

Earnings from indirect business	2008 € 000	2007 € 000
Property and casualty insurance	–327	7,880
Health insurance	–33	–52
Life insurance	4,667	1,391
Total (fully consolidated values)	4,308	9,218

33 | Income from fees and provisions

Reinsurance commission and profit shares from reinsurance business ceded	2008 € 000	2007 € 000
Property and casualty insurance	13,626	59,842
Health insurance	116	106
Life insurance	5,657	11,478
Total (fully consolidated values)	19,399	71,426

34 | Net investment income

By segment	Property and casualty insurance		Health insurance	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
I. Properties held as financial investments	**5,547**	**–19,336**	**21,922**	**8,399**
II. Shares in associated companies	**4,605**	**201,148**	**2,054**	**64,383**
III. Variable-yield securities	**–27,300**	**50,086**	**–45,839**	**14,454**
1. Available for sale	–20,283	45,460	–23,191	9,886
2. At fair value through profit or loss	–7,017	4,626	–22,648	4,568
IV. Fixed interest securities	**19,193**	**31,721**	**10,999**	**15,050**
1. Held to maturity	494	0	1,129	0
2. Available for sale	20,535	31,509	15,807	14,570
3. At fair value through profit or loss	–1,836	212	–5,937	480
V. Loans and other investments	**69,468**	**20,684**	**28,515**	**17,690**
1. Loans	13,952	10,259	18,753	13,770
2. Other investments	55,516	10,425	9,762	3,920
VI. Derivative financial instruments (held for trading)	**335**	**14,170**	**–1,068**	**14,851**
VII. Expenditures for asset management, interest expenditures and other	**–5,416**	**–16,777**	**–2,783**	**–1,306**
Total (fully consolidated values)	66,432	281,696	13,799	133,521

The exceptionally high income from shares in associated companies resulted in the financial year from capital gains (€115,140,000), in the previous year from capital gains (€72,937,000) and gains from dilution (€211,416,000) during the capital increases and floatation of STRABAG SE.

By income type	Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
I. Properties held as financial investments	**51,546**	**48,223**	**0**	**0**	**35,539**	**1,516**
II. Shares in associated companies	**29,488**	**18,288**	**0**	**211,416**	**115,140**	**73,593**
III. Variable-yield securities	**135,794**	**129,863**	**157,282**	**107,174**	**183,123**	**318,192**
1. Available for sale	105,338	109,757	32,781	8,178	84,611	265,103
2. At fair value through profit or loss	30,457	20,106	124,501	98,996	98,512	53,089
IV. Fixed interest securities	**498,573**	**518,154**	**81,154**	**75,851**	**5,014**	**38,099**
1. Held to maturity	9,343	0	0	0	0	0
2. Available for sale	471,617	488,146	67,631	66,638	4,520	35,578
3. At fair value through profit or loss	17,612	30,008	13,523	9,213	494	2,521
V. Loans and other investments	**195,952**	**62,171**	**4,518**	**162**	**295**	**0**
1. Loans	79,092	39,703	1,662	0	279	0
2. Other investments	116,860	22,468	2,855	162	17	0
VI. Derivative financial instruments (held for trading)	**–22,600**	**–22,707**	**157,681**	**117,997**	**19,798**	**153,434**
VII. Expenditures for asset management, interest expenditures and other	**–18,289**	**–27,152**	**0**	**0**	**0**	**0**
Total (fully consolidated values)	870,464	726,840	400,635	512,601	358,909	584,834

The updating of the value adjustment concerns both appreciation and depreciation of financial assets, excluding assets held for trading and financial assets at fair value through profit or loss. Interest income from impaired assets amounts to €55,097,000 (2007: €42,415,000). The net investment income of €227,596,000 includes realised and unrealised profits and losses amounting to €–642,868,000, which includes currency losses of €–64,089,000. In addition, positive currency effects amounting to €58,656,000 were recorded directly under equity. The effects are mainly the result of investments in USD and GBP.

Of which securities, available for sale Type of investment	Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
III. Variable-yield securities						
1. Available for sale	105,338	109,757	32,781	8,178	84,611	265,103
Shares in associated companies	3,398	1,709	0	0	29,123	3,984
Shares	13,688	17,107	317	597	4,671	132,013
Equity fonds	8,628	12,513	1,144	0	43	67,280
Debenture bonds, not capital-guaranteed	17,519	21,636	25,248	129	31,583	42,731
Other variable-yield securities	51,435	51,353	6,072	7,452	985	347
Participating interests and other investments	10,670	5,439	0	0	18,206	18,749
IV. Fixed-interest securities						
2. Available for sale						
Fixed interests	471,617	488,146	67,631	66,638	4,520	35,578

	Life insurance		Group total	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
	25,597	**6,344**	**53,065**	**–4,593**
	136,483	**37,544**	**143,142**	**303,075**
	–307,631	**222,522**	**–380,770**	**287,062**
	–226,558	168,165	–270,032	223,511
	–81,072	54,357	–110,738	63,551
	192,968	**180,141**	**223,159**	**226,912**
	7,721	0	9,343	0
	204,070	172,587	240,411	218,666
	–18,823	7,554	–26,595	8,247
	84,036	**11,543**	**182,018**	**49,917**
	30,817	11,426	63,522	35,455
	53,219	117	118,496	14,462
	26,003	**128,762**	**25,270**	**157,783**
	–10,090	**–9,068**	**–18,289**	**–27,152**
	147,364	577,788	227,596	993,005

	Write-offs and unrealised capital losses		Realised capital losses		Group total		of which value adjustment	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
	–31,352	**–54,251**	**–2,668**	**–81**	**53,065**	**–4,593**	**–1,004**	**–25,000**
	–1,000	**0**	**–485**	**–222**	**143,142**	**303,075**	**0**	**0**
	–650,759	**–192,286**	**–206,211**	**–75,881**	**–380,770**	**287,062**	**–323,773**	**–40,832**
	–343,170	–94,063	–149,591	–65,465	–270,032	223,511	–323,773	–40,832
	–307,589	–98,223	–56,620	–10,416	–110,738	63,551	0	0
	–316,891	**–358,301**	**–44,691**	**–46,891**	**223,159**	**226,912**	**–157,526**	**–140,012**
	0	0	0	0	9,343	0	0	0
	–263,861	–327,715	–39,495	–43,982	240,411	218,666	–157,526	–140,012
	–53,030	–30,587	–5,195	–2,909	–26,595	8,247	0	0
	–16,871	**–12,414**	**–1,876**	**–3**	**182,018**	**49,917**	**0**	**0**
	–15,648	–4,245	–1,863	–3	63,522	35,455	0	0
	–1,223	–8,169	–13	0	118,496	14,462	0	0
	–118,508	**–66,217**	**–11,102**	**–24,724**	**25,270**	**157,783**	**0**	**0**
	0	**0**	**0**	**0**	**–18,289**	**–27,152**	**0**	**0**
	–1,135,380	–683,469	–267,032	–147,801	227,596	993,005	–482,302	–205,844

	Write-offs and unrealised capital losses		Realised capital losses		Group total		of which value adjustment	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
	–343,170	–94,063	–149,591	–65,465	–270,032	223,511	–323,773	–40,832
	0	0	–10	–31	32,511	5,662	0	0
	–224,615	–45,166	–38,165	–42,935	–244,104	61,615	–215,316	–33,982
	–27,123	–8,501	–73,298	–12,174	–90,605	59,119	–36,252	–5,427
	–80,773	–31,776	–4,910	–1,646	–11,334	31,075	–67,964	0
	–6,840	–4,942	–32,304	–8,202	19,348	46,007	0	2,254
	–3,820	–3,677	–905	–476	24,152	20,035	–4,241	–3,677
	–263,861	–327,715	–39,495	–43,982	240,411	218,666	–157,526	–140,012

Financial Section

35 | Other income

		2008 € 000	2007 € 000
a)	**Other actuarial income**	**19,585**	**13,247**
	Property and casualty insurance	14,849	10,858
	Health insurance	448	516
	Life insurance	4,288	1,874
b)	**Other non-actuarial income**	**43,518**	**22,263**
	Property and casualty insurance	32,818	16,461
	Health insurance	737	530
	Life insurance	9,963	5,272
	of which		
	services rendered	13,009	7,619
	changes in exchange rates	22,586	4,350
	other	7,924	10,294
c)	**Other income**	**16,905**	**1,621**
	From foreign currency conversion	1,211	1,629
	From other[1]	15,693	–9
Total (fully consolidated values)		**80,008**	**37,131**

[1] This item contains an income of €5,010,000 from the derecognition of the deferred difference due to the initial consolidation of Asena CJSC.

36 | Insurance benefits

	Gross		Reinsurers' share		Retention	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
Property and casualty insurance						
Expenditure for claims						
Claims paid	1,454,635	1,296,433	–120,073	–183,900	1,334,562	1,112,534
Change in provision for outstanding claims	–11,110	147,397	61,375	–32,660	50,265	114,737
Total	**1,443,525**	**1,443,830**	**–58,698**	**–216,559**	**1,384,827**	**1,227,271**
Change in actuarial provision	–1,890	–104	15	5	–1,874	–99
Change in other actuarial provisions	–460	–1,672	–401	–9	–862	–1,681
Expenditure for profit-unrelated and profit-related premium refunds	29,963	26,082	–77	–188	29,886	25,894
Total amount of benefits	**1,471,138**	**1,468,136**	**–59,161**	**–216,751**	**1,411,977**	**1,251,385**
Health insurance						
Expenditure for claims						
Claims paid	671,886	653,484	–1,091	–968	670,795	652,516
Change in provision for outstanding claims	4,719	996	57	58	4,776	1,053
Total	**676,606**	**654,480**	**–1,034**	**–910**	**675,571**	**653,570**
Change in actuarial provision	126,686	126,213	132	134	126,818	126,347
Change in other actuarial provisions	–4	0	0	0	–4	0
Expenditure for profit-unrelated and profit-related premium refunds	19,622	31,336	–3	–3	19,619	31,333
Total amount of benefits	**822,910**	**812,028**	**–905**	**–779**	**822,005**	**811,250**
Life insurance						
Expenditure for claims						
Claims paid	1,506,420	1,532,342	–69,965	–60,214	1,436,454	1,472,128
Change in provision for outstanding claims	–18,692	17,050	–296	–1,975	–18,987	15,074
Total	**1,487,728**	**1,549,392**	**–70,261**	**–62,190**	**1,417,467**	**1,487,202**
Change in actuarial provision	120,080	–144,232	–11,786	–15,136	108,294	–159,368
Change in other actuarial provisions	3,193	253	–558	–41	2,635	212
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	–200,586	206,344	–170	0	–200,756	206,344
Total amount of benefits	**1,410,415**	**1,611,757**	**–82,775**	**–77,367**	**1,327,640**	**1,534,390**
Total (fully consolidated values)	**3,704,463**	**3,891,921**	**–142,842**	**–294,897**	**3,561,622**	**3,597,024**

37 | Operating expenses

	2008 € 000	2007 € 000
Property and casualty insurance		
a) Acquisition costs		
Payments	507,717	455,648
Change in deferred acquisition costs	–11,145	–10,356
b) Other operating expenses	257,395	220,234
	753,967	**665,527**
Health insurance		
a) Acquisition costs		
Payments	87,879	86,806
Change in deferred acquisition costs	–1,232	–816
b) Other operating expenses	47,614	43,301
	134,262	**129,290**
Life insurance		
a) Acquisition costs		
Payments	270,769	269,870
Change in deferred acquisition costs	15,715	–7,492
b) Other operating expenses	82,094	69,909
	368,577	**332,287**
Total (fully consolidated values)	**1,256,805**	**1,127,104**

38 | Other expenses

	2008 € 000	2007 € 000
a) Other actuarial expenses	**59,121**	**58,586**
Property and casualty insurance	21,016	20,119
Health insurance	1,440	2,773
Life insurance	36,665	35,694
b) Other non-actuarial expenses	**28,247**	**26,875**
Property and casualty insurance	21,757	24,316
Health insurance	354	513
Life insurance	6,136	2,047
of which		
services rendered	3,882	1,391
exchange rate losses	4,416	6,703
motor vehicle registration	7,445	6,603
other	12,504	12,178
c) Other expenses	**12,048**	**1,107**
For foreign currency translation	7,991	469
For other	4,056	638
Total (fully consolidated values)	**99,416**	**86,569**

39 | Tax expenditure

Income tax	2008 € 000	2007 € 000
Actual tax in reporting year	61,735	33,052
Actual tax in previous year	–5,586	–9,600
Deferred tax	–32,680	47,811
Total (fully consolidated values)	**23,470**	**71,263**

Reconciliation statement	2008 € 000	2007 € 000
A. Profit from ordinary activities	**90,217**	**340,256**
B. Anticipated tax expenditure (A. * Group tax rate)	**23,283**	**85,206**
Adjusted by tax effects from		
1. Tax-free investment income	–8,222	–7,191
2. Other	8,409	–6,752
Amortisation of goodwill	91	4,622
Non-deductible expenses / other tax-exempt income	2,559	–3,446
Changes / deviations in tax rates	0	–6,028
Deviations in tax rates	11,194	6,336
Taxes previous years	–5,586	–9,600
Lapse of loss carried forward and other	151	1,364
C. Income tax expenditure	**23,470**	**71,263**
Average effective tax burden in %	**26.0**	**20.9**

The corporate income tax rate applicable to all Group segments was 25%, as expected. To the extent that the minimum taxation is applied in life insurance at an assumed profit participation of 85%, this leads to a different corporate tax rate.

Other disclosures

Employees

Personnel expenses[1]	2008 € 000	2007 € 000
Salaries and wages	333,008	311,133
Expenses for severance payments	9,149	12,894
Expenses for employee pensions	–17,539	–14,985
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	90,158	90,259
Other social expenditures	9,411	5,630
Total	424,188	404,931
of which business development	131,952	126,745
of which administration	272,329	259,310

[1] The data are based on an IFRS valuation.

Average number of employees	2008	2007
Total	13,674	10,997
of which business development	6,269	4,273
of which administration	7,405	6,724

	2008 € 000	2007 € 000
Expenses for severance payments and employee pensions amounted to:		
Members of the Management Board and executive employees, in accordance with Section 80 paragraph 1 of the Stock Corporation Act	3,076	5,786
Other employees	44,027	37,770

Both figures include the expenditure for pensioners and surviving dependants (basis: Austrian Business Code valuation). The indicated expenses were charged to the Group companies based on defined company processes.

Earnings of the Management Board and Supervisory Board

Members of the Management Board receive remunerations exclusively from UNIQA Versicherungen AG.

	2008 € 000	2007 € 000
The expenses for remuneration of Management Board members attributable to the reporting year amounted to:		
Regular payments	2,370	2,236
Performance-related remunerations		1,815
Total	2,370	4,051
of which charged to operational subsidiaries	2,252	3,848
Former members of the Supervisory Board did not receive any remuneration		
Former members of the Management Board and their surviving dependants were paid	2,624	2,665
Because of pension commitments to these persons, the following provision was set up on 31 Dec.	20,513	21,054

The remuneration to members of the Supervisory Board amounted to:

	2008 € 000	2007 € 000
For the current financial year (provision)	391	410
Meeting attendance fee	44	41
Total	435	451

Former members of the Supervisory Board did not receive any remuneration.

The information according to Section 239 paragraph 1 of the Austrian Business Code in connection with Section 80b of the Insurance Supervision Act, which must be included in the appendix as mandatory information for financial statements according to IFRS to release the company from the requirement to prepare financial statements in accordance with the Austrian Business Code, is defined for the individual financial statements according to the provisions of the Austrian Business Code, with expanded scope. In addition to the executive functions (Management Board) of UNIQA Versicherungen AG, the individual financial statements also include the earnings of the Management Boards of the subsidiaries, insofar as a legally binding basis exists with UNIQA Versicherungen AG.

Principles for profit participation by the Management Board

A variable income component was made available to the members of the Management Board in the form of bonus agreements if they meet certain defined prerequisites for entitlement. This bonus will be provided as a one-time payment based on the earnings situation. The basis for determining the size of the bonus is the return on equity based on the IFRS consolidated financial statements of UNIQA Versicherungen AG.

Principles for the pension scheme provided in the company for the Management Board and its requirements

Retirement pensions, a pension for occupational invalidity as well as a widow's and orphans' pension have been established. The retirement pension is due upon meeting the requirements for the old-age pension according to the General Social Security Act. The pension amount is calculated from a percentage of a contractually established assessment basis. In the event of early pension eligibility according to the transitional provisions included in the General Social Security Act, the pension claim is reduced. For the occupational invalidity pension and the pension for surviving dependants, flat rates are provided as a minimum pension.

Principles for vested rights and claims of the Management Board of the company in the event of termination of their position

Severance payments have been agreed upon based partially on the provisions of the Salaried Employee Act. The benefits are fundamentally retained in the event of termination of membership of the Management Board; however, a reduction rule based on the remaining time until meeting the claim requirements for the old-age pension according to the General Social Security Act applies.

Supervisory Board remuneration scheme

Remunerations to the Supervisory Board are passed at the Annual General Meeting as a total amount for the work in the past financial year. The remuneration amount applicable to the individual Supervisory Board members is based on the position within the Supervisory Board and the number of committee positions.

Group holding company

The parent company of the UNIQA Group is UNIQA Versicherungen AG. This company is registered in the company register of the Commercial Court of Vienna under FN 92933 t. In addition to its duties as Group holding company, this company also performs the duties of a group reinsurer.

Related companies and persons	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Receivables and liabilities with affiliated and associated companies, as well as related persons		
Mortgage loans and other loans	**0**	**14,264**
Affiliated companies	0	14,264
Receivables	**13,027**	**5,098**
Other receivables	13,027	5,098
Affiliated companies	11,420	5,085
Associated companies	1,608	13
Liabilities	**7,595**	**2,226**
Other liabilities	7,595	2,226
Affiliated companies	7,595	2,226
Associated companies	0	0

Income and expenses of affiliated companies as well as related persons	2008 € 000	2007 € 000
Income	**23,401**	**92**
Investment income	23,348	19
Affiliated companies	0	19
Associated companies	23,348	0
Other income	53	73
Affiliated companies	53	73
Expenses	**53**	**69**
Other expenses	53	69
Affiliated companies	53	69

In December 2008, UNIQA Beteiligungs-Holding GmbH sold roughly 3.1 million shares in Leipnik-Lundenburger Invest Beteiligungs AG to Raiffeisen-Invest-Gesellschaft m.b.H., which is an associated company of Raiffeisen Zentralbank AG. As UNIQA Versicherungen AG is included in the Group consolidated financial statements of Raiffeisen Zentralbank as an associated company, this concerns a business with associated companies in accordance with IAS 24. UNIQA Beteiligungs-Holding GmbH realised capital gains of €23,348,000 from this transaction. Also in December 2008, Raiffeisen Versicherung AG and UNIQA Personenversicherung AG acquired roughly 5.0 million and 3.1 million shares respectively in Leipnik-Lundenburger Invest Beteiligungs AG from Raiffeisen-Invest-Gesellschaft m.b.H. There are no outstanding balances from these transactions as at 31 December 2008.

Other financial commitments and contingent liabilities	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Contingent liabilities from risks of litigation	**5,175**	**7,981**
Foreign	5,175	7,981
Other contingent liabilities (affiliated, not consolidated)	**0**	**0**
Foreign	0	0
Other contingent liabilities	**1,389**	**1,425**
Foreign	1,389	1,425
Total	**6,565**	**9,405**

The companies of the UNIQA Group are involved in court proceedings in Austria and other countries in connection with their ordinary business operations as insurance companies. The result of the pending or threatened proceedings is often impossible to determine or predict.

In consideration of the provisions set aside for these proceedings, the management is of the opinion that these proceedings have no significant effects on the financial situation and the operating earnings of the UNIQA Group.

	2008 € 000	2007 € 000
Current leasing expenses	251	28
Future leasing payments due to the financing of the new UNIQA headquarters in Vienna		
up to 1 year	6,509	6,048
more than 1 year up to 5 years	25,226	24,279
more than 5 years	62,934	60,483
Total	**94,668**	**90,810**
Income from subleasing	479	489

UNIQA moved into the new UNIQA headquarters – the UNIQA Tower – in 2004. The aforementioned leasing obligations are based on the investment expenditures in connection with a specific calculatory rate of interest yield.

Affiliated and associated companies in 2008

Company	Type	Location	Equity € million[1]	Share in equity %[2]
Domestic insurance companies				
UNIQA Versicherungen AG (Group Holding Company)		1029 Vienna		
UNIQA Sachversicherung AG	Full	1029 Vienna	124.4	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	374.0	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	21.4	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	1.400.1	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	11.4	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	21.1	100.0
SK Versicherung Aktiengesellschaft	Equity	1020 Vienna	6.9	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	10.3	100.0
UNIQA Re AG	Full	Switzerland, Zurich	88.1	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	127.6	100.0
UNIQA poistovňa a.s.	Full	Slovakia, Bratislava	24.5	99.9
UNIQA pojištovna, a.s.	Full	Czech Republic, Prague	32.8	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	7.8	80.0
UNIQA Protezione SpA	Full	Italy, Udine	20.2	89.6
UNIQA Towarzystwo Ubezpieczen S.A.	Full	Poland, Lodz	71.4	68.5
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Full	Poland, Lodz	11.6	80.1
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	45.5	85.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	5.1	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	4.0	100.0
Mannheimer AG Holding	Full	Germany, Mannheim	68.0	91.4
Mannheimer Versicherung AG	Full	Germany, Mannheim	49.1	100.0
mamax Lebensversicherung AG	Full	Germany, Mannheim	8.6	100.0
Mannheimer Krankenversicherung AG	Full	Germany, Mannheim	9.6	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	42.2	80.0
UNIQA Osiguranje d.d.	Full	Bosnia and Herzegovina, Sarajevo	5.9	99.8
ASTRA S.A.	Equity	Romania, Bucharest	29.4	27.0
UNIQA Insurance plc	Full	Bulgaria, Sofia	9.1	62.5
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	5.4	99.7
UNIQA životno osiguranje a.d.	Full	Serbia, Belgrade	7.5	89.6
Credo-Classic	Full	Ukraine, Kiev	8.3	61.0
UNIQA LIFE	Full	Ukraine, Kiev	2.0	100.0
UNIQA životno osiguranje a.d.	Full	Montenegro, Podgorica	0.8	100.0
UNIQA neživotno osiguranje a.d.	Full	Serbia, Belgrade	10.0	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	2.3	100.0
UNIQA Asigurari de Viata SA	Full	Romania, Bucharest	4.9	100.0
UNITA Vienna Insurance Group S.A.	Full	Romania, Bucharest	35.7	100.0
AGRAS Vienna Insurance Group S.A.	Full	Romania, Bucharest	5.0	92.3
UNIQA Health Insurance AD	Full	Bulgaria, Sofia	0.4	75.0
SIGAL Holding sH.A.	Equity	Albania, Tirana	18.4	45.6

Company	Type	Location	Equity € million[1]	Share in equity %[2]
Group domestic service companies				
UNIQA Immobilien-Service GmbH	Full	1029 Vienna	0.3	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	Full	1010 Vienna	0.2	100.0
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Full	1010 Vienna	1.1	100.0
Raiffeisen Versicherungsmakler GmbH	Equity	6900 Bregenz	0.1	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	4)	1010 Vienna		33.3
RSG – Risiko Service und Sachverständigen GmbH	3)	1029 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	0.9	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.6	100.0
SYNTEGRA Softwarevertrieb und Beratung GmbH	Full	3820 Raabs	0.3	100.0
UNIQA Finanz-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Alternative Investments GmbH	Full	1020 Vienna	1.7	100.0
UNIQA International Versicherungs-Holding GmbH	Full	1029 Vienna	116.5	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	660.1	100.0
Alopex Organisation von Geschäftskontakten GmbH	3)	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	3)	1029 Vienna		100.0
Allfinanz Versicherungs- und Finanzservice GmbH	Full	1010 Vienna	0.2	100.0
Direct Versicherungsvertriebs-GesmbH	3)	1020 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.2	64.0
Real Versicherungs-Makler GmbH	3)	1220 Vienna		100.0
Together Internet Services GmbH	4)	1030 Vienna		24.0
FL-Vertriebs- und Service GmbH	3)	5020 Salzburg		100.0
UNIQA HealthService – Services im Gesundheitswesen GmbH	3)	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Full	1029 Vienna	15.2	100.0
Privatklinik Grinzing GmbH	3)	1190 Vienna		100.0
Wohnen mit Service Pflegedienstleistungs GmbH	3)	1029 Vienna		100.0
Versicherungsagentur Wilhelm Steiner GmbH	3)	1029 Vienna		51.0
CEE Hotel Development AG	4)	1010 Vienna		50.0
CEE Hotel Management und Beteiligungs GmbH	4)	1010 Vienna		50.0
RHU Beteiligungsverwaltung GmbH & Co OG	4)	1010 Vienna		50.0
UNIQA Real Estate Finanzierungs GmbH	Full	1029 Vienna	4.1	100.0
UNIQA Group Audit GmbH, Wien	Full	1029 Vienna	0.0	100.0
Vorsorge Holding AG	Equity	1020 Vienna	32.3	40.1
Leipnik-Lundenburger Invest Beteiligungs AG	Equity	1010 Vienna	158.7	24.9
Group foreign service companies				
Syntegra Szolgaltato es Tanacsado KFT	Full	Hungary, Budapest	0.3	60.0
Insdata spol s.r.o.	3)	Slovakia, Nitra		100.0
Racio s.r.o.	3)	Czech Republic, Prague		100.0
UNIQA partner, s.r.o	Full	Slovakia, Bratislava	0.0	100.0
UNIQA Pro	3)	Czech Republic, Prague		100.0
UNIQA InsService s.r.o.	Full	Slovakia, Bratislava	0.3	100.0
UNIQA Penztarszolgaltato Kft	Full	Hungary, Budapest	9.9	100.0
Dekra Expert Muszaki Szakertöi Kft	Full	Hungary, Budapest	0.9	74.9
UNIQA Szolgaltato Kft	Full	Hungary, Budapest	6.0	100.0
Profit-Pro Kft.	3)	Hungary, Budapest		100.0
RC Risk Concept Vaduz	3)	Liechtenstein, Vaduz		100.0
Elsö Közszolgalati Penzügyi Tanacsado Kft	3)	Hungary, Budapest		92.4
Millennium Oktatási és Tréning Kft	Full	Hungary, Budapest	0.0	100.0
verscon GmbH Versicherungs- und Finanzmakler	3)	Germany, Mannheim		100.0
IMD Gesellschaft für Informatik und Datenverarbeitung GmbH	3)	Germany, Mannheim		100.0
Mannheimer Service und Vermögensverwaltungs GmbH	3)	Germany, Mannheim		100.0
Carl C. Peiner GmbH	3)	Germany, Hamburg		100.0
Wehring & Wolfes GmbH	3)	Germany, Hamburg		100.0
Hans L. Grauerholz GmbH	3)	Germany, Hamburg		100.0
GSM Gesellschaft für Service Management mbH	3)	Germany, Hamburg		100.0
Skola Hotelnictivi A Gastronom	3)	Czech Republic, Prague		100.0

1) In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity, it equals the latest annual accounts published or, with companies marked with *), the latest Group accounts published.
2) The share in equity equals the share in voting rights before minorities, if any.
3) Unconsolidated company.
4) Accosiated not at equity valued company.

Company	Type	Location	Equity € million[1]	Share in equity %[2]
Group foreign service companies				
ITM Praha s.r.o.	4)	Czech Republic, Prague		29.1
ML Sicherheitszentrale GmbH	4)	Germany, Mannheim		30.0
Mannheimer ALLFINANZ Versicherungsvermittlung AG	3)	Germany, Mannheim		100.0
UFL UNIQA Finance Life Service GmbH	3)	Germany, Mannheim		100.0
Claris Previdenza	3)	Italy, Milan		100.0
UNIQA Software Service d.o.o.	3)	Croatia, Zagreb		100.0
Vitosha Auto OOD	Full	Bulgaria, Sofia	0.1	100.0
Syntegra S.R.L.	3)	Romania, Cluj-Napoca		100.0
Agenta-Consulting Kft.	3)	Hungary, Budapest		100.0
UNIQA Software Service-Polska Sp.z o.o	3)	Poland, Lodz		100.0
AGENTA consulting s.r.o.	3)	Czech Republic, Prague		100.0
AGENTA Consulting Sp z oo w organizacji	3)	Poland, Lodz		100.0
UNIQA Software Service Bulgaria OOD	3)	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	3)	Ukraine, Kiev		99.0
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	23.1	29.6
Medicur-Holding Gesellschaft m.b.H.*)	Equity	1020 Vienna	6.3	25.0
ÖVK Holding GmbH	Equity	1030 Vienna	4.8	25.0
PKB Privatkliniken Beteiligungs-GmbH*)	Equity	1010 Vienna	27.2	50.0
STRABAG SE*)	Equity	9500 Villach	2922.7	13.7
Humanomed Krankenhaus Management Gesellschaft m.b.H.	Equity	1040 Vienna	0.4	44.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	4)	9020 Klagenfurt		34.9
call us Assistance International GmbH	Equity	1090 Vienna	0.5	61.0
EBV Leasing Gesellschaft m.b.H.	Equity	1061 Vienna	0.2	50.0
UNIQA Leasing GmbH	Full	1061 Vienna	0.1	100.0
UNIQA Human Resources-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	274.5	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	11.3	100.0
Austria Hotels Betriebs-GmbH[5]	Full	1010 Vienna	8.2	100.0
Wiener Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	4)	1010 Vienna		24.5
JALPAK International (Austria) Ges.m.b.H.	4)	1010 Vienna		25.0
Allrisk-SCS-Versicherungsdienst Gesellschaft m.b.H.	Equity	2334 Vösendorf-Süd	0.1	37.5
Real-estate companies				
UNIQA Real Estate CZ, s.r.o. (formerly Fundus Praha s.r.o.)	Full	Czech Republic, Prague	12.3	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	1.2	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	1.1	100.0
Steigengraben-Gut Gesellschaft m.b.H.	3)	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	190.9	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	1.0	33.0
UNIQA Real Estate AG	Full	1029 Vienna	144.1	100.0
UNIQA Real Estate Zweite Beteiligungverwaltg. GmbH	Full	1020 Vienna	25.4	100.0
UNIQA Praterstraße Projekterrichtungs GmbH	Full	1029 Vienna	53.1	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	8.6	99.0
UNIQA Real Estate Holding GmbH	Full	1029 Vienna	70.5	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	10.9	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	4.8	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	9.8	100.0
GLM Errichtungs GmbH	Full	1010 Vienna	–1.5	100.0
UNIQA Plaza Irohadaz es Ingatlankezelö Kft	Full	Hungary, Budapest	5.1	100.0
MV Augustaanlage GmbH & Co. KG	Full	Germany, Mannheim	16.0	100.0
MV Augustaanlage Verwaltungs-GmbH	Full	Germany, Mannheim	0.0	100.0
AUSTRIA Hotels Liegenschaftsbesitz AG[5]	Full	1010 Vienna	33.9	99.5
Passauerhof Betriebs-Ges.m.b.H.[5]	Full	1010 Vienna	1.3	100.0
Austria Österreichische Hotelbetriebs s.r.o.[5]	Full	Czech Republic, Prague	20.5	100.0
Grupo Borona Advisors, S.L. Ad	3)	Spain, Madrid		74.6

Company	Type	Location	Equity € million[1]	Share in equity %[2]
Real-estate companies				
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	4.1	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	6.1	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	5.2	100.0
HKM Immobilien GmbH	[3]	Germany, Mannheim		100.0
CROSS POINT, a.s.	Full	Slovakia, Bratislava	5.2	100.0
Floreasca Tower SRL	Full	Romania, Bucharest	0.5	100.0
Pretium Ingatlan Kft.	Full	Hungary, Budapest	6.3	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	0.4	100.0
UNIQA-Invest Kft	Full	Hungary, Budapest	13.9	100.0
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	0.4	100.0
UNIQA Real Estate Bulgaria EOOD	Full	Bulgaria, Sofia	3.1	100.0
UNIQA Real Estate BH nekretnine, d.o.o	Full	Bosnia and Herzegovina, Sarajevo	3.5	100.0
UNIQA Real Estate d.o.o	Full	Serbia, Belgrade	2.7	100.0
Renaissance Plaza d.o.o.	Full	Serbia, Belgrade	0.7	100.0
IPM International Property Management Kft	Full	Hungary, Budapest	1.8	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	3.5	100.0
Black Sea Investment Capital	Full	Ukraine, Kiev	1.1	100.0
LEGIWATON INVESTMENTS LIMITED	Full	Cyprus, Limassol	13.0	100.0
UNIQA Real III, spol. s.r.o.	Full	Slovakia, Bratislava	5.4	100.0
UNIQA Real Estate d.o.o	Full	Slovenia, Ljubljana	0.0	100.0
UNIQA Real Estate BV	Full	Netherlands, Hoofddorp	15.1	100.0
UNIQA Real Estate Bulgaria Alpha EOOD	Full	Bulgaria, Sofia	0.0	100.0
UNIQA Real Estate P. Volfova	Full	Slovenia, Ljubljana	0.0	100.0
UNIQA Real Estate Ukraine	Full	Ukraine, Kiev	0.0	100.0
Reytarske	Full	Ukraine, Kiev	–4.3	100.0
Austria Hotels Betriebs CZ	Full	Czech Republic, Prague	3.9	100.0
UNIQA Real Estate Alpha d.o.o.	Full	Serbia, Belgrade	0.0	100.0
UNIQA Real Estate Beta d.o.o.	Full	Serbien, Belgrad	0.0	100.0
UNIQA Real Estate Albania Shpk.	Full	Albania, Tirana	0.0	100.0
ALBARAMA LIMITED	Full	Cyprus, Nikosia	–0.2	100.0
AVE-PLAZA LLC	Full	Ukraine, Kharkiv	11.9	50.0
Asena CJSC	Full	Ukraine, Nikolaew	2.1	100.0
UNIQA Real Estate Poland Sp.z.o.o.	Full	Poland, Warsaw	0.0	100.0

[1] In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity, it equals the latest annual accounts published or, with companies marked with *), the latest Group accounts published.
[2] The share in equity equals the share in voting rights before minorities, if any.
[3] Unconsolidated company.
[4] Accosiated not at equity valued company.
[5] Consolidated on the basis of a non-calendar financial year (balance sheet date 30 September).

Approval for publication

These Group consolidated financial statements were compiled by the Management Board as of the date of signing and approved for publication.

Vienna, 15 April 2009

Konstantin Klien Chairman of the Management Board	**Hannes Bogner** Member of the Management Board	**Andreas Brandstetter** Member of the Management Board	**Karl Unger** Member of the Management Board	**Gottfried Wanitschek** Member of the Management Board

Auditor's Opinion

(report of the independent auditor)

Report on the consolidated financial statements

We have audited the German version of the **consolidated financial statements** of **UNIQA Versicherungen AG**, Vienna, for the **financial year from 1 January to 31 December 2008**. These Group consolidated financial statements include the consolidated balance sheet as at 31 December 2008, the consolidated income statement, the Group cash flow statement and the statement of changes in Group equity for the financial year ending 31 December 2008, as well as a summary of the most important methods of accounting and valuation applied and other notes.

Legal representatives' responsibility for the consolidated financial statements

The legal representatives of the company are responsible for the preparation of consolidated financial statements that give a true and fair view of the net assets, the financial position and the profit situation of the Group, in agreement with the International Financial Reporting Standards (IFRS) as applied in the EU. This responsibility includes the design, implementation and maintenance of an internal control system, to the extent that this is important for the preparation of the consolidated statements and the negotiation of as true a picture as possible of the Group's net assets, financial position and profit situation, so that these consolidated statements are free from material misrepresentations, whether due to intentional or unintentional mistakes. It also includes the choice and application of suitable accounting and valuation methods and the effecting of estimates that appear appropriate under the existing circumstances.

The auditor's responsibility

We are responsible for rendering an audit opinion on these consolidated financial statements on the basis of the audit performed by us. Our audit was conducted in accordance with the prevailing statutory provisions and the International Standards on Auditing (ISA) as published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These principles require that we conform to the ethics of the profession and plan and execute the audit in such a manner that we can judge, with a sufficient degree of certainty, whether the consolidated financial statements are free from material misstatements.

An audit includes the execution of audit procedures to verify the amounts and other statements in the consolidated financial statements. The choice of audit procedures depends on the conscientious discretion of the auditor, taking into consideration his estimate of the chance that a material misstatement has been made, whether due to an intentional or an unintentional mistake. When estimating the level of this risk, the auditor takes the internal control system into consideration, to the extent that it is of significance for preparing the consolidated financial statements and providing as true and fair a view as possible of the Group's net assets, financial position and profit situation, in order to determine the appropriate audit procedures under the circumstances; the auditor does not, however, give an opinion on the effectiveness of the Group's internal control system. The audit also includes our evaluation of the adequacy of the accounting principles and valuation methods applied and the material estimates made by the legal representatives of the company, as well as an assessment of the overall tenor of the consolidated financial statements.

We believe that we obtained sufficient and suitable verification with our audit, so that our audit provides a reasonably sound basis for our opinion.

Audit opinion

Our audit did not lead to any objections. In our opinion, based on the findings of our audit, the consolidated financial statements comply with the statutory requirements and give as accurate a view as possible of the net assets and financial position of the Group as of 31 December 2008, as well as the Group's profit situation and cash flow for the financial year from 1 January to 31 December 2008, in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU.

Report on the Group management report

Due to the prevailing statutory provisions in Austria, the Group management report is to be audited as to whether it is in agreement with the consolidated financial statements and whether or not other statements in the Group management report give a false impression of the situation of the Group.

In our opinion, the Group management report agrees with the consolidated financial statements.

Vienna, 16 April 2009

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Georg Weinberger	p.p. Alexander Knott
Chartered Accountant	Chartered Accountant

Report of the Supervisory Board

During the past financial year, the Supervisory Board was regularly informed of the business development and the situation of the Group and the company by the Management Board. It also supervised the Management Board's conduct of business. In the Supervisory Board meetings held in 2008, the Management Board presented detailed quarterly reports and provided additional oral and written reports to the Supervisory Board. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

Focus of the meetings

The meetings focussed on the Group's earnings situation and its further strategic development. The Supervisory Board had six meetings in 2008. In the meeting on 11 March, the Supervisory Board mainly discussed the companies' 2007 results. The meeting of the Supervisory Board on 24 April focussed on a discussion of the annual financial statements and the Group's consolidated financial statements as at 31 December 2007, as well as the report of the Management Board about the development of the Group in the 1st quarter of 2008. Changes were made to the Supervisory Board at the Annual General Meeting, calling for a reorganisation of the Supervisory Board which took place on 19 May. In addition, the acquisition of treasury shares as part of the 4th buyback programme was approved and the takeover of UNITA in Romania was agreed. At the meeting on 16 September, the Supervisory Board dealt essentially with the development of the company in the 1st half of 2008 and approved the founding of a life insurance company in Russia. At the Supervisory Board meeting on 29 October, it was decided to increase the share capital by issuing 11,895,192 new shares from the approved capital. Aside from reporting on the results of the Group in the first three quarters of 2008 the Supervisory Board discussed the business plan for 2009 at its meeting on 25 November.

Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, additional committees were set up in addition to the mandatory Audit Committee. The Working Committee mainly talked about the development of the Group's earnings and the company's long-term strategy, and made various decisions. They had five meetings in 2008, and made eight decisions by circulating them in writing. The Committee for Board Affairs met once to deal with the legal employment formalities of the members of the Management Board. The Investment Committee had four meetings about the capital investment strategy and questions of the capital structure. In its meeting, the Audit Committee concentrated on all audit documents and the Management Board's proposed appropriation of profit, and reported to the Supervisory Board. The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

Financial statements and consolidated financial statements

The financial statements prepared by the Management Board and the management report of UNIQA Versicherungen AG, as well as the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS) and the Group management report for the year 2008, were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and given an unqualified audit opinion. The Supervisory Board noted the results of the audit with approval.

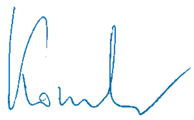
The Supervisory Board consented to the consolidated financial statements and the financial statements of UNIQA Versicherungen AG, and agreed to the Group management report and the management report. The 2008 financial statements were thereby adopted in accordance with Section 125 of the Stock Corporation Act.

The proposed appropriation of profit submitted by the Management Board to the Supervisory Board was examined and approved by the Supervisory Board. On this basis, a dividend distribution of 40 cents per share will be proposed at the Annual General Meeting on 25 May 2009.

The Supervisory Board thanks the Management Board and all staff members for their commitment and the work they have done.

Vienna, April 2009

On behalf of the Supervisory Board



Christian Konrad

Glossary

Acquisition costs
The amount paid in currency or currency equivalent in acquiring an asset, or the current fair value of another form of payment at the time of acquisition.

Actuarial provision
Provision in the amount of the existing obligation to pay insurance claims and premium refunds, mainly in life and health insurance. The provision is calculated in line with actuarial methods as the balance of the cash value of future obligations less the cash value of future premiums.

Affiliated companies
Affiliated companies are the parent and its subsidiaries. Subsidiaries are companies in which the parent may exercise a controlling influence on business policy. This is the case, for instance, if the parent directly or indirectly holds more than half of the voting rights, if control agreements have been concluded or if the parent is in a position to nominate the majority of the members of the Management Board, or of other controlling bodies of the subsidiary.

Asset allocation
The structure of the investments, i.e. the portion of the total investments invested in the different vehicles of investment (e.g. shares, fixed income securities, holdings, real estate, money market instruments).

Asset liability management
Management concept in which decisions regarding company assets and liabilities are coordinated. This involves a continuous process in which strategies for assets and liabilities are formulated, implemented, monitored and revised, in order to achieve the financial goals with defined risk tolerances and restrictions.

Associated companies
These are participating interests consolidated at equity, i.e. by including them in the Consolidated Financial Statements with the corresponding share in the equity. The major prerequisite for doing so is the possibility of the Group exercising a decisive influence on the operating and financial policy of the associated companies, regardless of whether the Group actually exercises that influence.

At amortised cost
Recognised on the balance sheets at the amortised cost, i.e. the difference between acquisition costs and the redemption amount is spread out over the corresponding pro rata term or capital share.

Benchmark method
An accounting and valuation method preferred under IFRS.

Book value (amortised acquisition costs)
The original acquisition costs minus lasting reduction in value and differences between acquisition costs and redemption amount are credited or debited to acquisition costs, with an effect on income until the amount falls due.

Cash flow statement
Shows the cash surplus from operating, investing and financing activities generated by the company during a specific period (source and use of funds).

Combined ratio
Sum of the operating expenses and the insurance benefits (both retained) in relation to the premiums earned in property and casualty insurance.

Corporate Governance
Corporate Governance refers to the legal and factual framework of the management and monitoring of companies. Corporate Governance regulations are geared towards transparency and thus strengthen the trust in management and control focusing on value creation.

Cost ratio
Operating expenses (retained) in relation to premiums earned.

Deferred acquisition costs
These comprise the expenses incurred by an insurance company for concluding new insurance policies or renewing existing policies. Amongst other costs, they include acquisition commissions and expenses for handling the proposal form and risk underwriting.

Deferred taxes (active/passive)
Deferred taxes arise from temporary differences between the commercial balance sheet and the balance sheet for tax purposes, and those resulting from uniform valuation standards throughout the Group. The calculation of deferred taxes is based on the specific tax rates of each country that the Group companies are based in; changes in the tax rate that have been decided on as at the balance sheet date are included.

Deposits receivable/payable under reinsurance business
Amount receivable by the reinsurance company from the ceding company on the basis of the reinsurance business accepted by the reinsurer and which, for the latter, is similar to an investment. The amount equals the amount the ceding company provides as collateral. Analogously: deposits payable.

Derivatives
Financial contracts whose value depends on the price development of an underlying asset.

Direct insurance business
Insurance contract taken out by a direct (primary) insurance company, with a private person or company as opposed to reinsurance business accepted (indirect business) which refers to the business accepted from another direct (primary) insurer or reinsurance company.

Diversification
Diversification is a business policy instrument that generally involves positioning or distributing the activities of a company over various areas to avoid dependence on single factors.

Duration
The weighted average maturity of an interest-sensitive financial investment or a portfolio. It is a risk measure of the sensitivity of financial investments to changes in the rate of interest.

Earnings per share (undiluted/diluted)
The consolidated profit for the year divided by the average number of shares outstanding. Diluted earnings per share include subscription rights exercised or to be exercised in the number of shares, and in the consolidated profit for the year.

Earned premiums
The premiums earned on an accrual basis, which determine the year's income. For calculating the amount of earned premiums, in addition to gross premiums written, the change in unearned premiums in the business year, the provision for expected cancellations and other receivables from unwritten premiums are considered.

Equity method
Method used for recognising the interests in associated companies. They are, in principle, valued at the Group's share in the equity of these companies. In the case of interests in companies which also prepare consolidated financial statements, the valuation is based on the share in Group equity. Under current valuation, this measurement is to be adjusted for proportional equity changes, with the interest in the net income for the year being allocated to the consolidated result.

FAS
US Financial Accounting Standards laying down specifics of US GAAP (Generally Accepted Accounting Principles).

Goodwill
Excess over the purchase price for a subsidiary and the share in its equity after winding up the hidden reserves attributable to the purchaser on the date of acquisition.

Gross amounts
Presentation of the balance sheet items prior to the deduction of the amount which is allocated to the business ceded to a reinsurer.

Hedging
A way of insuring oneself against unwanted price fluctuations by the use of adequate counter positions, particularly in derivatives.

IAS
International Accounting Standards.

IFRS
International Financial Reporting Standards. As of 2002, the term IFRS refers to the entire concept of standards adopted by the International Accounting Standards Board. Standards that were adopted before are still called International Accounting Standards (IAS).

Insurance benefits
Expenses (net of the reinsurer's share) arising from claim settlement, premium refunds and profit participation, and from changes in the actuarial provisions.

Loss ratio
Retained insurance benefits in property and casualty insurance, in relation to premiums earned.

Minority interests
Shares in the equity of associated companies that are not held by Group companies.

Minority interests in net profit
The share of net profit allocated not to the Group, but to shareholders outside of the Group holding interests in associated companies.

Multitranches
Bonds involving a put option under which the seller can sell additional bonds (with an identical or shorter term) to the buyer. The buyer receives a premium which increases the yield on the security as opposed to a "normal" security having the same term and yield.

Operating expenses
This item includes acquisition expenses, the handling of the policy portfolio and reinsurance expenses. After deduction of commissions and profit participations received under reinsurance business ceded, the remaining expenses are the net operating expenses.

Premiums
Total premiums written. All compulsory premiums in the financial year, from insurance policies in direct business and reinsurance business accepted.

Profit participation
In life and health insurance, the policyholders are entitled by law and by contract to an adequate share in the profits generated by the company. The amount is reset every year.

Provision for outstanding claims
This provision includes the obligations for payment of insurance claims which have already occurred on the reporting date, but which are not yet completely settled.

Provision for premium refunds and profit participation
The part of the profit to be distributed to the policyholders is appropriated to a provision for premium refunds and/or profit participation. The provision also includes deferred amounts.

Reinsurance
An insurance company would cede parts of its own risk to another insurance company.

Reinsurance premiums ceded
Share of the premiums paid to the reinsurer as a consideration for insuring certain risks.

Retention
The part of the risks assumed which the (re)insurer does not cede.

Retrocession
Retrocession is the ceding of reinsurance business accepted to a retrocessionaire. Professional reinsurance companies and also other insurance companies, within their internal reinsurance business, use retrocession as an instrument for spreading and controlling risks.

Return on equity (ROE)
The return on equity (before tax) is the profit on ordinary activities in relation to the average total equity (without consideration of the contained net profit). It is used as a general indication of the company's efficiency.

Revaluation reserves
Unrealised profits and losses resulting from the difference in the present market value and acquisition value and/or the amortised acquisition costs for fixed interest securities are allocated to this reserve, without affecting income, after the deduction of deferred taxes and provisions for deferred profit participation (in life insurance).

Risk
The possibility that negative factors could influence the future financial situation of the company. Furthermore, in the insurance business, risk is understood as the possibility that a claim will arise because a danger that has been ensured against occurs. The insured object or insured person is also frequently referred to as a risk.

Risk management
Ongoing, systematic and continuous identification, analysis, evaluation and management of potential risks that could endanger the assets, financial situation and profits of a company over the medium and long term. Target: to ensure the continued existence of a company, secure the company goals against disruptive events, with the aid of appropriate measures, and improve the company value.

Securities available for sale
Available-for-sale securities are securities that are neither meant to be held until maturity nor have they been acquired for short-term trading purposes; available for sale at any time, they are recognised at par value on the balance sheet date.

Securities held to maturity
Securities representing money claims which are held with the intention of keeping them to maturity. They are recognised at amortised cost.

Solvability
Level of own funds in an insurance company.

Stress test
Stress tests are a special form of scenario analysis with the goal of being able to quantify the potential loss of portfolios during extreme fluctuations in the market.

Subordinate debt
Debt which is honoured in the case of winding up or bankruptcy only after all the other debts have been settled.

Supplementary capital
Capital paid in which is agreed to remain at the insurance company's disposal for at least five years, with no cancellation possible; it accrues interest only to the extent that this is covered by the net profit for the year. It can only be repaid prior to liquidation after a pro rata deduction of the net losses incurred during the retention period; in the case of liquidation, it can only be redeemed after those payables have been settled or secured that do not constitute equity or participation capital.

Trading portfolio (held for trading)
Debt securities, shares and other securities (primarily derivatives and structured products) which are held mainly for short-term trading purposes. They are recognised at current market value.

Unearned premiums
That part of the premium income of the year which refers to periods of insurance that lie after the reporting date, i.e. which have not yet been earned on the reporting date. In the balance sheet, with the exception of life insurance, unearned premiums have to be shown as a separate line item under the actuarial provisions.

US GAAP
US Generally Accepted Accounting Principles.

Value at risk
A method for measuring market risks in order to calculate the expected value of a loss that might occur in an unfavourable market situation, with a determined probability within a defined period of time.

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UNIQA Versicherungen AG

Domestic Insurance Companies

- UNIQA Personenversicherung AG 63.4%
- UNIQA Sachversicherung AG 100%
- Raiffeisen Versicherung AG 100%
- FINANCE LIFE Lebensversicherung AG 100%
- Salzburger Landes-Versicherung AG 100%
- CALL DIRECT Versicherung AG 100%

Service Companies

- UNIQA Finanz-Service GmbH 100%
- UNIQA Immobilien-Service GmbH 100%
- UNIQA Beteiligungs-Holding GmbH 100%
- UNIQA Leasing GmbH 100%
- UNIQA Human Resources-Service GmbH 100%
- UNIQA HealthService GmbH 100%
- UNIQA Real Estate AG 100%
- UNIQA Software-Service GmbH 100%
- UNIQA Group Audit GmbH 100%

UNIQA International Versicherungs-Holding GmbH 100%

International Insurance Companies

- UNIQA TU S.A. Lodz (PL) 68.5%
- UNIQA TU na Życie S.A. Lodz (PL) 80.1%
- UNIQA pojišťovna a.s. Prague (CZ) 100%
- UNIQA poisťovňa a.s. Bratislava (SK) 99.9%
- UNIQA Biztosító Zrt. Budapest (HU) 85%
- UNIQA osiguranje d.d. Zagreb (HR) 80%
- UNIQA Osiguranje d.d. Sarajevo (BiH) 99.8%
- Credo-Classic Kiev (UA) 61%
- UNIQA LIFE Kiev (UA) 100%
- UNITA S.A. Bucharest (RO) 100%
- UNIQA Asigurari de Viata S.A. Bucharest (RO) 100%
- AGRAS S.A. Bucharest (RO) 92.3%
- ASTRA S.A. Bucharest (RO) 27%
- UNIQA Insurance plc Sofia (BG) 62.5%
- UNIQA Life Insurance plc Sofia (BG) 99.7%
- UNIQA Health Insurance AD Sofia (BG) 75%
- UNIQA životno osiguranje a.d. Belgrade (SRB) 89.6%
- UNIQA neživotno osiguranje a.d. Belgrade (SRB) 100%
- UNIQA životno osiguranje a.d. Podgorica (MNE) 100%
- UNIQA neživotno osiguranje a.d. Podgorica (MNE) 100%
- SIGAL Holding sH.A. Tirana (AL) 45.6%
- Mannheimer AG Holding Mannheim (D) 91.4%
- Mannheimer Versicherung AG Mannheim (D) 100%
- Mannheimer Krankenversicherung AG Mannheim (D) 100%
- mamax Lebensversicherung AG Mannheim (D) 100%
- UNIQA Assurances S.A. Geneva (CH) 100%
- UNIQA Re AG Zurich (CH) 100%
- UNIQA Versicherung AG Vaduz (FL) 100%
- UNIQA Lebensversicherung AG Vaduz (FL) 100%
- UNIQA Protezione S.p.A. Udine (I) 89.6%
- UNIQA Previdenza S.p.A. Milan (I) 80%
- UNIQA Assicurazioni S.p.A. Milan (I) 100%

Other Holdings

- AUSTRIA Hotels Liegenschaftsbesitz AG 99.5%
- Vorsorge Holding AG 40.1%
- VBV-Betriebliche Altersvorsorge AG 5.9%
- SK Versicherung AG 25%
- Niederösterreichische Versicherung AG 13.2%
- Medial Beteiligungs-GmbH 29.6%
- Medicur Holding GmbH 25%
- Humanomed Krankenhaus Management GmbH 46%
- PKB-Privatkliniken Beteiligungs-GmbH 50%
- call us Assistance International GmbH 61%
- Raiffeisen evolution project development GmbH 20%
- UNIQA Praterstraße Projekterrichtungs GmbH 100%
- STRABAG SE 13.7%
- LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG 24.9%
- Oesterreichische Nationalbank 2.7%
- Wiener Börse AG 5.4%

As of March 2009 (simplified version)

Imprint

Owner and publisher
UNIQA Versicherungen AG
Untere Donaustrasse 21 (UNIQA Tower)
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Commercial registry no.: 92933t
Data processing register: 0055506

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Information
UNIQA's Group Report is published in German and English and can be downloaded as a PDF file from the investor relations area on our Group website. The annual reports of the UNIQA Group's Austrian insurance companies can also be downloaded at this address.

The interactive online version of UNIQA's Group Report is available at ar2008.uniqagroup.com.

Concept and design
be.public Werbung Finanzkommunikation GmbH, Vienna

Printed by
AV+Astoria Druckzentrum GmbH, Vienna

Printed according to the Austrian eco-label's guidelines for "low-emission printed products".

Translation
Interlingua Language Services GmbH, Vienna